

Social Structure and Process of a Banana Plantation on the Pacific Coast of Costa Rica

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BY F. ESCOBAR

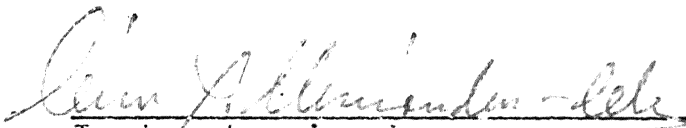
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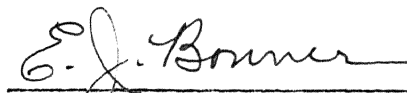
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CHAPTER I

UNDERDEVELOPMENT AND PLANTATION

The progress of a country is dependent on its economic structure and growth. The economic growth, as is well known, is related to the national production. If we look into the economic and social development of different countries of the world, we would understand that the basis of such growth is either predominantly industrial or agricultural. Costa Rica, one of the Central American states, belongs to the latter type. All along the history of Costa Rica, the economy was predominantly agricultural. The two leading agricultural products in this country were coffee and bananas. The importance of the banana agriculture from the point of view of economic history may be understood from the fact that these Central American states were known in the outside world as "banana republics". This agriculture has eventually become the lifeblood of the economic life of these countries. From this we may note that the plantations had become a vital and decisive force in determining the social life of the whole state. In other words, the social life at the plantations has influenced the general pattern of the national social life.

Conflicts, violence and mass upsurge have been recurrent phenomena throughout the history of the banana

plantations. Concern has been raised about these difficulties by politicians, economists and a number of other people, and yet the disturbances prevailed unabated. All along a number of modifications and remedies were suggested, but they never produced any appreciable difference in the occurrence of these conflicts. This was because in the process of the analysis of these conflicts the most significant factor, called the "human element", had either been neglected or overlooked. It has been the feeling of the present researcher that all these conflicts are predominantly social, based more on human concern and feelings than anything else. As this sociological factor has been neglected, it was thought that a study in terms of a sociological analysis of the structure and process of the banana plantations would throw much light onto the problems of the plantations and the life existing there.

Banana plantations are basically work situations, and it is a particular case of economic and social relationships between human groups, differentiated by the role performed in the productive powers according to their access to property.

One very basic inquiry is about the problems which have arisen in the ecological, social and cultural environment of the plantation, as a result of the attempts by the capitalistic enterprise to make the whole system a profitable one. It is important to know how the social goals are subordinated to the economic ones and by which means the

groups of men involved became alienated and destroyed by the structural requirements of the whole socio-economic arrangement. In other words, how does the entrepreneur organize or disorganize people to make them productive and profitable?

This is why I decided to look at a very specific case of human groups, large enough to make apparent the collective perspective of certain phenomena, and small enough to make possible the easier perception of economic and social forces usually invisible in larger national unities.

In the first lines of chapter VIII of The Wealth of Nations, Adam Smith says: "The produce of labour constituted the natural recompense of wages of labour.

"In that original state of things, which precedes both the appropriation of land and the accumulation of stock, the whole produce of labour belongs to the labourer. He has neither landlord nor master to share with him.

"But this original state of things, in which the labourer enjoyed the whole produce of his own labour, could not last beyond the first introduction of the appropriation of land and the accumulation of stock. It was at an end, therefore, long before the most considerable improvements were made in the productive powers of labour, and it would be to no purpose to trace further what might have been its effects upon the recompense or wages of labour.

"As soon as land becomes private property, the land-

lord demands a share of almost all the produce which the labourer can either raise, or collect from it. His rent makes the first deduction from the produce of the labour which is employed upon land.

"A landlord, a farmer, a master manufacturer, or merchant, though they did not employ a single workman, could generally live a year or two upon the stocks which they have already acquired. Many workmen could not subsist a week, few could subsist a month, and scarce any a year without employment.

"Masters are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise the wages of labour above their actual rate. To violate this combination is everywhere a most unpopular action, and a sort of reproach to a master among his neighbours and equals.

"Such combinations, however, are frequently resisted by a contrary defensive combination of the workmen; who sometimes too, without any provocation of this kind, combine of their own accord to raise the price of their labour. Their usual pretenses are sometimes the high price of provisions; sometimes the great profit which their masters make by their work . . . in order to bring the point to a speedy decision, they have always recourse to the loudest clamour, and sometimes to the most shocking violence and outrage. They are desperate, and act with the folly and extravagance of desperate men, who must either starve, or

frighten their masters into an immediate compliance with their demands. The masters upon these occasions are just as clamorous upon the other side, and never cease to call aloud for the assistance of the civil magistrate, and the vigorous execution of those laws which have been enacted with so much severity against the combination of servants, labourers, and journeymen. The workmen, accordingly, very seldom derive any advantage from the violence of those tumultuous combinations, which, partly from the interposition of the civil magistrate, partly from the superior steadiness of the masters, partly from the necessity which the greater part of the workmen are under of submitting for the sake of present subsistence, generally end in nothing, but the punishment or ruin of the ringleaders."

This picture drawn by the main theorist of capitalism in 1776 sounds incredibly applicable to the banana plantation. Far from being mere speculation, it becomes a splendid mural that shows the basic lines of the conflict: the absolute economical dependence that constrains the worker's social life.

I will try to show how the produce of banana workers' labor becomes the corporation's profit rather than the "natural recompense of labour", how wages are defined as "cost" for the enterprise and how stationary or down character of wages are justified by the international market competition. This way we are able to see the connection between the nature of the world economic system and the

humble existence of a Costa Rican worker.

But it will be necessary to point out modifications to Smith's model and review the Marxian logical implications drawn from it. The empirical observation shows how new factors and circumstances invalidate many assertions dogmatically held by "radical" scholastic circles.

"Wages", says Marx in his Manuscripts, "are determined through the antagonistic struggle between capitalist and worker". The "given" situation described by Adam Smith is a historical and sociological process of conflict in Marx. The polarization of interests becomes a polarization of forces: combination among capitalists in front of the combination among workers, social classes, class struggle.

Marx takes up the variable "wages" and analyzes logically the rest of the conceptual entities related with it; in other words, he looks at the whole structure and process from wages. "The raising of wages gives rise to overwork among the workers. The more wish to earn, the more they sacrifice their time and carry out slave labour, completely losing all their freedom in the service of gold. Thereby, they shorten their lives. This shortening of their lifespan is a favourable circumstance for the working class as a whole, for as a result of it an ever fresh supply of labour becomes necessary. This class has always to sacrifice a part of itself in order not to be wholly destroyed."

Marx proposes an "essential connection between private

property, greed, and the separation of labor, capital and landed property; between exchange and competition; value and devaluation of man".

"The alienation of the worker in his product means not only that his labor becomes an object, an external existence, but that it exists outside him, and that it becomes a power on its own confronting him. Labor is external to the worker; the external character of the worker, for the worker appears in the fact that it is not his own, but someone else's, that it does not belong to him, that in it he belongs, not to himself, but to another.

"Labor, life-activity, productive life itself, appears in the first place merely as a means of satisfying a need--the need to maintain physical existence. Yet the productive life is the life of the species. It is life--engendering life. The whole character of a species--its species character--is contained in the character of its life activity; and free, conscious activity is man's species character. Life itself appears only as means to life."

Definitely, there is no place like the banana plantation to observe human life so closely dependent on the work relationship, regulating the complete individual life through a wide net of routines and rhythms. But to look at the relationship between economic and social conditions requires much more than a fair philosophical

insight; it is necessary to look for theoretical explanations closely related to the historical circumstances within which the case studied is being given.

As a matter of fact, a banana plantation in Costa Rica can be subsumed as a particular case of a wider and more general phenomenon, and many of the human situations given within the plantation life can be understood in terms of universal conceptions that unify the fragments of empirical information into a whole.

The banana plantation is a capitalistic enterprise, based on profit-making procedures, foreign investment, destined to the international commerce. It has wide land holding with numerous workers and specialized staff. It is a human organization where actors occupy different roles and perform different programs of action and it is a community which exhibits its own mental patterns of identification and communication. Geographically it is a planned settlement located in particular areas of the country and ecologically, it is an environment where the human group realizes its culture.

Frequently when a social phenomenon in Latin America is analyzed sociologically, it lacks a theoretical framework able to lead towards a real insight. Concepts and theories, usually elaborated in foreign intellectual circles by men concerned with other sets of problems, cannot offer a good answer for the most relevant questions. In general, the approaches are frankly empiricist monographs

or, what is worse, subtle justifications of the status quo. Only recently some Latin American and Latinamericanist sociologists and scholars have begun to build up a social-economical theory regarding the logical implications of the classic premises and the particular historical conditions prevalent in Latin America today. There are several names that must be mentioned as pioneers in this work: Hoselitz, Prebisch, Furtado, Stavenhagen, Gonzalez-Casanova, DeCastro, Germani, Gerassi, Torres Restrepo, Frank, Johnson, Dos Santos and others.

I think it would be rewarding to clarify, with the help of the works of Andre Gunder Frank, some of the usual concepts on the so-called Latin American Political Economy.

Gunder Frank affirms that historical evidence contradicts the generally accepted thesis that Latin America suffers from a dual society or from the survival of feudal institutions, and that these are important obstacles to its economic development.¹ This thesis was refined also by Stavenhagen. The thesis affirms that two different, and to a certain extent, independent--though necessarily connected--societies exist in Latin American countries: one is the archaic, traditional, agrarian, society--a stagnant and retrogressive society; the other is modern urban, industrialized, dynamic, progressive, developing society.

Each of the two societies facing each other in the Latin American countries has its own characteristic

dynamics. This way the existence of these contradictory conditions is explained as a natural consequence of each one's characteristic dynamics. The duality is usually expressed as one between feudalism and capitalism. The feudalism is identified with retrogressive and conservative social and economic groups (i.e., the landowning aristocracy, the oligarchy, local political strongmen, etc.,) and the nuclei of a capitalist economy identified by the "entrepreneurial", "progressive", "urbanized middle classes". The social task is defined as the elimination of the "feudal" obstacle to give way to a "progressive" capitalism, which will be developed by the entrepreneurial capitalists for the benefit of the country as a whole.²

Stavenhagen's critique is that the concept of dual society does not stand because the relation between the "archaic" and the "modern" or "capitalistic" ones represents the functioning of a single unified society of which the two poles are integral parts. Stavenhagen points out that structurally, what exists is not merely two "societies", or a dual society, two contrasting poles at the end of a socioeconomic continuum, but rather the relationships which exist between the two "worlds" and which bind them into a functional whole to the extent that the localized development of certain areas in Latin America is based on the use of cheap labor. The backward regions, those that provide the cheap labor, fulfill a specific function in the national society and are not merely zones in which

for one reason or another, development has not taken place. The archaic zones are generally exporters of raw materials to the urban centers of the country and abroad. The developed areas of the underdeveloped countries operate like a pumping mechanism, drawing from their backward, underdeveloped hinterland the very elements that make for their own development. During the colonial epoch, the driving force of the Latin American economy was the mercantilist-capitalist system. The Spanish and Portuguese colonies were large producers of raw materials which supplied various European markets. The "feudal" economy was a subsidiary to the dynamic centers--the mines and export agriculture--which, in turn, responded to the need of the colonial metropolis. The one constant factor of the colonial economy was the search for and control of cheap labor for the colonial enterprises. The "feudal" living and working conditions of the majority of the Indian peasant population, reduced to a minimum the costs of production in mining and in colonial agriculture. Thus, the feudalism in labor relationships may be considered a function of the development of the colonial economy in its entirety, which, in turn, formed an integral part of the world mercantilist system. The colonial economy was subjected to strong cyclical variations. Each one brought an epoch of growth and prosperity to the area in which it occurred. Each corresponded at that moment to a foreign demand, and each one left, in the end, a stagnant,

underdeveloped, backward economy and an archaic structure.

Gunder Frank states that underdevelopment is not due to the survival of archaic institutions and existence of capital shortage in regions that have remained isolated from the stream of world history. Underdevelopment was and still is generated by the very same historical process which also generated economic development: the development of capitalism itself.

The main assertion about this matter is that within this world-embracing metropolis-satellite structure the metropolis tends to develop and the satellites to underdevelop. This view connects in a whole dynamic conception the developed centers with the underdeveloped periphery not only viewed in a relationship of neighborhood, but in a relation of dependence.³ Among the hypotheses drawn from this general assumption, Frank mentions that the latifundism, irrespective of whether it appears as a plantation or an hacienda today, was typically born as a commercial enterprise which created for itself the institutions which permitted it to respond to increased demands in the world or national market by expanding the amount of its land, capital, and labor and to increase the supply of its products.

The banana plantation is an outstanding way to examine in detail the machinery of a socio-economic case of dependence. In very few cases the elements of socio-economic domination look so clear and relevant as in the plantation enterprise. The decision adopted by the

enterprise is based on the situation of the demand in the developed countries' markets, and the exigency for profits from the side of the owners or stockholders. If we think of profit as the difference between gross returns and production costs, and we see among those costs all the workers' sources of welfare--wages, health, education, entertainment, etc.--it is very easy to discover how, in the economic maneuver, the human costs are reduced in favor of an increasing profit. The revenues of the stockholder are the deprivations of the worker; this basic connection allows us to understand the permanent situation of struggle and conflict that characterized the banana plantation life. The interests of the metropolitan rulers of the banana corporations are those which determine the creation of an artificial boom, and at the same time are those which decide the abandonment of a region, turning it to a ruinous situation and leaving to the national governments, and thus to the people, the burden of a backward and hopeless region. It is important to keep in mind this review of the leading thoughts about the general situation of Latin American societies in relation with the developed countries, where the decision-making centers affecting banana plantations are. Daily life in a banana plantation community is shaped by both the general structural conditions coming from outside and the local specific conditions in its particular place and time.

I would say that in general, the concept of "development"

usually applied to Latin American countries is based on the assumption that socio-economic change is a historical phenomenon that in some societies takes place earlier and faster than in other societies. This "asynchrony" is taken as its explanation. The process of development becomes an inculcation; underdevelopment is the fatal state that fatally backward societies must move through to reach the stage of development. In other words, underdevelopment is natural, is inherent to the process of development. The condition to develop is capital and all the capitalistic civilization's features--technology, know-how, bureaucracy, spirit of capitalism, etc.--and the natural way to obtain it is by "foreign investment". This is the rationalization used to justify the whole process of economic, political and social colonialism.

This thesis leads us to face the question concerned with the necessity and usefulness of foreign investments and their effect upon Latin American life and relations with the outside world.

Some opinions stress the bettering of a company's economic position as the investor's goal.⁴ This is according to the fact that corporations are founded and run to make profits, not to indulge in international welfare work with its political implications. Some reasons often mentioned by governments and corporations as advantages of foreign investment programs, are the creation of jobs and stimulation of business internally. Foreign investments

appear as an alternative to pass through the proves of development without the personal sacrifice of forced saving based on reduced consumption derived from the lack of foreign know-how and techniques. Foreign enterprises purchase energy, use transport facilities and local supplies, and pay taxes. They bring in technological innovations and more efficient business methods which strengthen local industry; they develop areas neglected or too complex for development by local capital or governmental investments, etc. However, the objections are also as profound and numerous. First of all, foreign investments impose upon the underdeveloped nation diplomatic and political restrictions and control. International law still supports the use of force by the home government of the investor to aid in the collection of debts and damage claims from the borrowing nation. And, the main aspect is that large foreign investments tie an underdeveloped nation's economy to the world's economic cycle without the country having any control over that cycle. Many of these investments create one-crop economies, leaving the host nation economically helpless in relation to the world's markets.⁵

The level of operation of such large businesses is determined by the business cycle in the consuming areas of the United States and Western European countries. For day-to-day operations, the needs of the foreign areas and the orders of boards of directors in the metropolis establish the scale of operation in Venezuelan oil fields and Central American

banana plantations. The development of alternative sources of supply, synthetics, or changes in manufacturing or consumption patterns, can strangle too highly dependent economies of the host countries. Foreign capital seeks out those economic activities that yield the highest profit, and as sanctioned by the business ethic, it neglects activities merely of social importance. A post facto observed consequence is that foreign enterprises irrationally exploit and deplete natural resources, displace national enterprises, or limit the scope of national investments. In the case of banana plantations very often infra-structural facilities are on national governments and local taxpayers have to take over the solution of grave social problems and conflicts derived from the enterprise activity.

One of the most frequent modes of attacking the problem of social change and economic development is to abstract the general features of a developed economy as an ideal type and to contrast it with the equally ideal typical features of a poor economy and society.⁶ Development is viewed as the transformation of one type into the other.⁷

This view includes the basic assumption that underdevelopment is an original state which may be characterized by indices of traditionality, and that therefore development consists of abandoning these characteristics and adopting those of the developed countries. The pattern variables of Parson's Social System are taken and applied to the study of economic development and cultural change. Developed

countries exhibit the pattern variables of universalism, achievement orientation, and functional specificity, while the underdeveloped are characterized by their opposites-- particularism, ascription, and functional diffuseness. To develop, underdeveloped countries should eliminate the pattern variables of underdevelopment and adopt those of development. The pattern variables associated with underdeveloped societies seems to be the folk characteristic derived from the study of small communities rather than the wider social whole that incorporates it to the national system. This national system is precisely the clue to point out the determinant characteristics for development or underdevelopment. This approach confines its attention to lists of social roles in general and forgets about the social, political, and economic structure of a particular society under study. It follows from this theoretical view that to eliminate underdevelopment and produce development it is only necessary to change particular variables, roles, or parts of the social system and that it is not necessary to change the structure of the system itself.⁸ Logically, this position stands only if one maintains that: (1) underdevelopment and development are associated only with the characteristic of the simple majority of the society's roles, and not with the structure of that society, or (2) granted that development and underdevelopment are associated with the structure of the social system, the system's structure can be changed simply

by changing some of its parts or their characteristics.

"If Hoselitz", writes Gunder Frank, "and others had guided their observations and analyses of economic development and cultural change by these standards of structuralism and holism, they would not have come to the empirically erroneous conclusion that ascriptive role assignment in general is keeping underdeveloped countries underdeveloped. They would have seen not only that the crucial political and economic roles in underdeveloped countries are assigned and rewarded by achievement--which is the least of it, since it is not, after all, ascription or achievement which is really important--but also that these roles and their incumbents are no more than some of the manipulations of the real structure of development and underdevelopment of a world-embracing system that gives rise to these roles and whose incumbents in turn serve to maintain the system and underdevelopment in particular."

Rostow's Stages of Economic Growth, using economic dimension to identify all societies, assumes explicitly that underdevelopment is the original stage of what are supposedly traditional societies--that there were no stages prior to the present stage of underdevelopment.⁹ This examination of the issue is made as if the developed countries had developed in isolation from the single stream of world history which incorporated the now underdeveloped countries along the economic and political expansion of Europe since the fifteenth century. To ignore the history

of the now underdeveloped countries and their relations with the now developed nations over several centuries, is to ignore that the relationship between the mercantilist and capitalist metropolis and colonies succeeded in supplanting the pre-existing or implanting the new social, political, and economic structure they now have.

That is the structure of underdevelopment. We will try to demonstrate how the particular case of banana plantation social problems is viewed as an isolated phenomenon which must be explained (some even pretend to solve it) by the domestic structure of underdevelopment alone, neglecting or ignoring the international structure of development and underdevelopment of which that particular structure is only a part. Sometimes, even when this wider context is acknowledged, the very nature of the basic relationships between the developed societies and the backward areas is misunderstood. As an example let us look at these words from The United Fruit Company in Latin America, written by Stacy May and Galo Plaza, now General Secretary of OAS:¹⁰ "Concentrating on the contribution of the United Fruit Company to the economic development of these six countries (Central America), we are moved by the conviction that the largest possible diffusion of a vigorous economic growth coincides with the more important objectives of contemporary free world. We have the conviction that the acceptance that deserve the fostering that reach the democratic institutions in the

less advanced countries of the world, depend largely on the demonstration that the aspirations of an economic progress in general can be realized by the free enterprise. We are sure that the affluence of investments coming from nations of large industrial development, generators of capital, toward the less developed countries must be considered as the major instrument to stimulate the uniform growth of nations with less capital."

This widely spread point of view assumed explicitly that the development of underdeveloped countries is to prove the efficiency of the "free enterprise", understanding for such, those corporations from developed economies investing in backward countries.

In general the free enterprise is identified as the embodiment of cultural elements from the developed societies that must be adopted by the underdeveloped ones by a process of acculturation of these elements. This is another form adopted by some sociological theories of development. The diffusion is seen to spread from the metropolis of the advanced capitalist countries out to the national capitals of the underdeveloped ones, and from these in turn out to their provincial capitals and finally to the peripheral hinterland. Since development consists of and is promoted by diffusion and acculturation, underdevelopment remains because of obstacles or resistance to this diffusion. Underdeveloped countries are not to inquire into and remove the causes of underdevelopment;

instead the underdeveloped world is to wait and welcome the diffusion of the developmental aid from the outside.

The idea is that being poor, the underdeveloped countries lack investment capital and therefore find it difficult or impossible to develop and thereby escape from their poverty. The richer developed countries can, should, and do diffuse capital to the underdeveloped ones, thereby promoting their economic development. Nevertheless, the conservative estimates of the United States Department of Commerce show that between 1950 and 1965 the total flow of capital or investment account from the United States to the rest of the world was \$23.9 billion, while the corresponding capital inflow from profits was \$37.0 billion, for a net inflow into the United States of \$13.1 billion. Of this total, \$14.9 billion flowed from the U.S. and all other countries, that is mainly the poor, underdeveloped ones, the situation is reversed: \$9.0 billion of investments flowed to these countries while \$25.6 billion profit capital flowed out of them, for a net inflow from the poor to the rich of \$16.6 billion. This shows in which direction the capital diffusion flows.¹¹

That metropolitan investment in and control of primary sector production in underdeveloped countries, as it is specially conspicuous in Central American banana plantations, has failed to develop the underdeveloped countries, but has rather interposed a whole series of obstacles to their development, is something that I would

like to exemplarize by the Costa Rican case.

Technology is only partially diffused. On the national and local levels in which the domestic metropolis promotes the technology in its hinterland, that serves only its export interests and suppresses the pre-existing individual or communal agricultural and artisan technology that interferes with the use of the countryside's productive and buying capacity and capital for metropolitan development. "Far from diffusing more and more important technology to the underdeveloped countries, the most significant technological trend of our day is the increasing degree to which new technology serves as the basis of the capitalist metropolis' monopoly control over its underdeveloped economic colonies",¹² says Gunder Frank in his penetrating analysis of these issues.

The economic and political liberalism is a very important cultural definition from developed societies, to be adopted by the underdeveloped ones. Economic liberalism in the domestic economies of the underdeveloped countries have promoted monopoly and thereby the underdevelopment of the majority. All along the nineteenth century, in the name of liberalism, communally held Indian land was broken up; it was distributed into private ownership and consequent monopoly concentration during the epoch of liberal reform--a concentration which far exceeded that of the autocratic colonial times. The diffusion and acculturation of economic liberalism between the developed

(or developing) metropolitan countries and their under-developing satellites, is a response to interests and has led to an ever greater monopoly concentration of finance, commerce, industry and, as it is precisely the case of foreign assumed banana plantations, of land under the rule of the free world's free enterprise.

Leaving for a second the discussion of theoretical approaches to growth and development, let us mention something about the other feature or dimension of our matter of study. The banana plantation is a relatively small community and besides all those macrosociological and macroeconomic connections we have been talking about, as underlying of the banana community life.

"The point of departure", we read in Redfield, "is a certain strain or struggle, so to speak, between the claims of the human whole--person or village or civilization--to communicate to us its nature as a whole, a convincing complex entity, on the one hand, and the disposition of science to take things apart and move toward the precise description of relationships between parts and parts, on the other."¹³ Redfield sees a sort of integrity in each stable human settlement with an organized way of life and he wonders what shall be the form of thought that will help toward a knowledge that will preserve some of the holistic qualities of the things compared. To the members of the community, that community is a round of life, a small cosmos; activities and institutions lead from one

to the other so that for the number it does not result in a list of tools and customs; it is the integrated whole of life, theirs and his life. We break up the whole thinking about the community as an assemblage of items and turn attention to some one or few of these items.

The analysis that Redfield did on the struggle of the villages of Chan Kom with the problems brought upon them by new technology, increasing commerce, fresh ideas, and breakdown of the old traditional way of life, as a "microscopic account of what may be seen as a microcosm: a great world represented in a small one", gives me the rule to look at the banana plantation community; using almost his own words, it will be the entire tale of the village that stands for the much larger tale of modern man that pulls the big problems down to the village size. Talking about those cases of communities like the banana plantation, which are involved with, and dependent upon, the town and the city, Redfield suggests that "the form of thought to be used must be one that will take account of the different qualities of relationships that prevail on the one hand as the villager looks inward toward his village, his neighborhood, his family, and, on the other hand, as he relates himself to those aspects of town and city or manor which he must use to sell his grains or his services, buy his hoe or his gun, pay his taxes, or try his lawsuit".¹⁴

We are going to make explicit the arrangement of the

parts within abstract configurations, trying to know that whole throughout, identifying the parts of the whole and describing the interconnection among these and their relations to the whole. Let us, then, learn clearly from Redfield that peasants with folk characteristics live only in parts of societies inasmuch as they are peasants only by virtue of their relation to the city, whose function complements theirs within the same wider social whole that incorporates them both.

Central America has destroyed the interpretations and solutions that had been given during the last two decades to explain the underdevelopment in these regions. Underdevelopment, thought to be just a transitory stage, has become permanent and increasing. In the 1950's, the idea of industrialization appeared as the way out of stagnation. The new goals were to achieve an economy less dependent on the international market through economic diversification and the production for internal markets. The new hopes were to follow the industrialized countries in their levels of life, the redistribution of income would lead toward a "mass consumption" society, integrating the rural masses within the capitalist system of production, as producer and consumer. This transformation was supposed to be followed by a debilitation of the power now in the hands of traditional oligarchies in favor of a political democratization. Unfortunately, all these dreams did not replace the reality of endemic stagnation.

The "Alianza para el Progreso" renewed the industrialization policy and pushed the process of integration. The Central American Common Market, built to solve the first stage problems of industrialization, was destroyed by the internal contradiction of the Central American system.

In this context of economic and social dependence, conflict and crisis, we are going to observe the banana plantation on the Southwestern coast of Costa Rica.

NOTES

Chapter I

1. Frank, Andre Gunder, "The Development of Underdevelopment", in Cockcroft, James, et al., Dependence and Underdevelopment, Anchor Books, New York, 1972, p. 8. In this article there is very useful material about the general theoretical approach to the problem of underdevelopment.

2. Dos Santos, Theotonio, Dependencia Economica y Cambio Revolucionario en America Latina, Editorial Nueva Izapurierda Caracas, Venezuela, p. 8.

3. Frank, Andre Gunder, in opus cited, pp. 10-20. For an analysis of the hypotheses derived from the general assumption that within the economic dependent metropolis-satellite structure, the metropolis tends to develop and the satellites to underdevelop. We just mention here this interesting intellectual discussion.

4. Mikesell, Raymond F., U.S. Private and Government Investment Abroad, Ed. Eugen, University of Oregon Press, 1962, p. 88.

5. Burnstein, Marvin D., "Foreign Law in Latin America; Cases and Statistics", from the Introduction, ed. Alfred A. Knopf: New York, 1966.

6. Hoselitz, Bert F., "Sociological Factors in Economic Development", Ed. Glencoe, The Free Press, 1960, and Parsons, Talcot, "Structure and Process in Modern Societies".

7. Nash, Manning, "Introduction Approaches to the Study of Economic Growth in Psycho-cultural Factors in Asian Economic Growth", Journal of Social Issues, Vol. 29, number 1, January, 1963

8. This point is relevant for the general perspective to approach the banana plantation phenomenon. The social conflict originated in the plantation has estated the problem of it is the case that plantation conflict roots are a partial "disfunction" into the system or if it is just the consequences of radical contradictions of the system itself.

9. Rostow, Walt Whitman, The Process of Economic Growth, Norton, New York, 1952

10. May, Stacy and Plaza, Galo, "La United Fruit Company en America Latina", National Planning Association, Mexico, 1959, p. 28.

11. Magdoff, Harvey, "Economic Aspects of U.S. Imperialism", Monthly Review, Vol. 18, number 6, November 1966, p. 39.

12. Frank, Andre Gunder, "Sociology of Development and Underdevelopment of Sociology", in Cockcroft, James D., et al., Dependence and Underdevelopment, Anchor, New York, 1972, p. 366.

13. Redfield, Robert, The Little Community, Peasant Society and Culture, University of Chicago Press, p. 1.

14. These orientations do not pretend to be a deep analysis of Redfield's insight into the problem of small community and social unity. We are just using his fair punctualization of the connection between the small rural community and the central urban community.

CHAPTER II

THE CHARACTERISTICS OF THE BANANA PLANTATION IN THE WORLD

Let us now discuss some specific features of the plantation as a common phenomenon throughout the world, in order to locate the characteristics of the Costa Rica banana plantation among them.

We can identify five types of agricultural systems which reflect different economic, social, and political situations: the plantation system, the peasant system, the tribal system, the feudal system, and the state-controlled system.

Plantation agriculture has been one of the chief means through which numerous countries have been brought into the tributaries of the modern world economy. George Beckford raises the question of why after hundreds of years of direct participation in the modern world economy, the plantation economies of the world still find themselves underdeveloped and the countries with the bulk of their inhabitants living in conditions of poverty. He proposes the hypothesis that perhaps there are some factors inherent in the plantation system itself which serve to impede transformation from a state of underdevelopment to one of development.

The plantation was the means by which previously underdeveloped areas of the world were modernized in the sense that it created social capital and transformed "primitive" economies into money economies. Plantation economies are found chiefly in tropical America and tropical Asia. It was an instrument of political colonization, bringing together different races of people from various parts of the world and influencing the population and social structures now existing in these places.

After the last world war it was believed that the days of the foreign-owned plantation would soon be ended, but the system is still alive.

W. O. Jones defines the plantation as "an economic unit producing agricultural commodities (field crops or horticultural products, but not livestock) for sale and employing a relatively large number of unskilled laborers whose activities are closely supervised. Plantations usually employ a year-round labor crew, and they usually specialize in the production of only one or two marketable products. They differ from other kinds of farms in the way in which the factors of production, primarily management and labor, are combined."¹

Thus, the main features, according to the above definition, are that it brings together as many unskilled laborers as it is economically profitable with each of the few highly-skilled supervisor-managers who direct production. The plantation substitutes supervision for

skilled, adaptive labor, combining the supervision with labor whose principal skill is to follow orders. This structure resembles the type of military organization.

In general, the production of the crop (or crops) is undertaken solely for sale. Most of the time, the sales are overseas, like it is in the case of Costa Rica, but sometimes the home market is also important. Nevertheless, even in these last cases, when the sales are overseas, markets for the plantation output are normally located outside the regions of plantation production.

Pierre A. D. Stouse, Jr., abridges the concept this way: "Plantation systems are particular tools used by a culture to exploit for its benefit areas and products from a physical environment not found in its homeland. The culture that had designed the tools is capitalistic in nature. The plantation system then must be responsive to that capitalistic society and operate within its rules."²

There are various types of patterns of ownership: private individuals, families, limited liability companies, partnerships, cooperative societies, and state ownership of one kind or another. Private family and individual plantations have systematically been transformed into limited liability companies, and today they are the dominant types in world plantation production.³

In the underdeveloped countries, the plantation companies are predominantly foreign-owned with shareholders, directors, and centers of decision-making located in a

metropolitan country which usually initially exercised political control over the plantation colony.

George L. Beckford proposes an important distinction between "plantation economies" and "plantation sub-economies".⁴ His criteria to identify the plantation economy are: plantations' share of national economic aggregates, such as total output, capital, land area in cultivation, income, and employment; plantation contribution to government revenues, and the country's foreign exchange earnings; evidence of effects of the plantation on social and political structure and organization; and evidence of a general plantation psychology. This is the extent to which the national community reflects the overall plantation characteristics.

The plantation socio-economic influence varies from one country to the other. In most of these countries, the influence can be traced to virtually all aspects of human life because plantations are fully integrated in the economic and social order.

In the case of plantation sub-economies, the plantation sector is more or less cut off from the rest of the economy and society. Such cases may be better described as "enclave plantation economy". A group of significant plantation sub-economies are the Caribbean lowlands of the Central American countries. Whereas the sub-economies of the Brazilian Northeast and the Southern U.S. are integrated in important ways to the national economies because of the internalization of "metropolitan connections", those of the

Central American lowlands are not. The metropolitan center which provides the capital, management, technology, and a market for these banana plantation sub-economies is located outside the borders, i.e., in the U.S. The sub-economies in this case are therefore enclaves within those national economies and have very limited connection with the larger national community apart from revenue payments to the national government. For all practical purposes, these are really not sub-economies but plantation economies in their own right.

On a limited base the tendency has been toward a decreasing size of the farm in the peasant sector. Peasant farms are therefore becoming increasingly incapable of fully utilizing the available labor supply and of providing sufficient income to sustain the families. In the labor market as a whole, plantations have a distinct advantage as well. They are: (1) the more advanced techniques result in a higher labor productivity making possible the payment of higher wage rates; (2) employer-employee more impersonal relations than on small farms, and (3) the provision of steadier employment than the individual small farm provides. The peasants have great difficulty attracting hired labor unless they follow patterns set by the plantations.

The metropolitan banking system was adjusted to serve plantation production and the associated export-import trade. The plantations have been able to secure sufficient credit for whatever capital expansion they contemplated, and as

foreign owned enterprises they could always draw on the resources of metropolitan parent companies belonging to the capitalist countries.

The peasant producers have very limited access to outside financial capital and have to rely almost exclusively on their own limited savings and personal loans from friends and/or relatives.

Plantations and governments have invested significantly in research related to the quality and production of export-crop, whereas little effort has been directed to the crops produced by the peasant. Whereas plantations have the resources to invest in agricultural research, individual peasants do not and therefore have to rely on government research. But because of the importance of export-crops in the economies and the "plantation psychology" of government officials, very little government research has been channelled into crops grown chiefly by the peasants.

In the area of marketing and prices, we find that because of the plantation legacy the infrastructure for processing and distribution of export-crops is highly developed whereas that for domestic consumption is not. Most of the export-crops have guaranteed metropolitan markets. The production by the peasants for the domestic market has to compete with less costly food imported from other countries.

The main point to be established is that the plantation is a highly capitalistic enterprise, and this, above all

else, distinguishes it from other agricultural settlement institutions. In the latter, the family, religion, social status, and other considerations enter into the process of decision-making, whereas the guiding consideration of the plantation is just production for profit. This profit making goal determines how the factors of production are combined and the orientation toward export trade determines what it produces.

Mintz and Woulf provided a framework for considering the conditions which give rise to the establishment and subsequent continued existence of the plantation.⁵ Pre-conditions for the establishment of the plantation as a settlement institution could be summarized, including:

- (1) capital sufficient to allow the plantation organization to secure needed factors of production; (2) lands in zones adequate for specific crops, in sufficient quantity and of quality adequate for present and future production;
- (3) cheap labor in sufficient quantity to minimize production costs and so maximize profit; (4) technology of a sufficiently high level for "modern" production; (5) foreign control and direction in the majority of the cases;
- (6) specialization in crops; (7) sanctions of a political-legal sort to maintain a disciplined labor force to regulate distribution of surplus. In addition, the system needs
- (8) a sizable industrial market for its staples and (9) a system of class stratification that differentiates those with capital from those with only labor services to sell.

Once established, the survival of the plantation is ensured if capital is in continuous supply, land monopolized, the labor force in surplus, technological change adopted quickly, and the market remains stable and ensured. Because of its extensive land requirements the plantation normally can be established only in "open resource" situations where all the land is not already in permanent settlement.

Migration to the plantation colonies normally consists of individuals (males) who perceive plantation production as a means of accumulating wealth over a relatively short period and returning to the home country to enjoy a good life.

By its very nature the plantation is an institution of international dimensions.

Two aspects of the politics of colonial plantation economies are: (1) the direction given by public authorities in order to achieve the objectives of plantation development, and (2) the regulation of the conditions of life and work of the population involved in plantation production. The aim of this regulation is to provide the worker with no less than the bare minimum living conditions so as to avoid and minimize the social unrest and thereby to keep the plantation structure intact. This is a necessity as the basic conditions for success of a profit-making enterprise such as the plantation, is to lower the wages that it pays for its labor. Hence, legislation cannot at one and the

same time seek to maximize the profit of plantation production and the welfare of the plantation laborer.

So, we have seen that all plantations have certain things in common. They cover relatively large areas of land and they involve numerous unskilled workers, highly centralized decision-making, authoritarian management organization, and separation of workers and decision-makers by social and cultural differences. The particular pattern of economic organization associated with the plantation is a variant of a general pattern which ensures effective communication from the decision-makers at the top to those below who must implement the directions. Authority and control are inherent in the plantation system.

Geographical isolation of the plantation unit reduces the social intercourse with other people outside its boundaries. In the extreme cases this outside intercourse is mostly a weekend business whereas in the more extreme cases it may be virtually nonexistent. On account of this isolation, people living and working on a plantation make up a distinct community which derives its full flavor from the system itself. Thus, in addition to being a system of production, the plantation serves as a community also.

Since the community owes its being to the unit of production, it follows that its social structure and the pattern of interpersonal relations will be a reflection of the type of economic organization that governs production. In this way the authority structure that characterizes the

pattern of economic organization extends to social relationships also. So we find that the plantation community is one with an inherently rigid system of social stratification--normally with white foreign owners or managers at the top, culturally mixed skilled personnel in the middle, and culturally different unskilled laborers at the bottom. There is virtually no mobility in either direction within the system of social stratification and the most relevant aspects of life in the plantation reflects the social structure. Housing is perhaps the most obvious to any visitor on a tour of any plantation. The differences in quality of housing provided for owner or general manager, staff, and workers are quite dramatic. Recreational facilities, social group activities, and in short, everything is in tune with the stratification based on the status in the plantation.

Plantation work does not alone determine the social structure. For those living on the plantation, the institution is not just a place of work, but it is also a world of life in itself. Usually the plantation runs the commercial system of supplies to workers. The institution affords them the very means of survival, so that regardless of cultural or ethnic differences, the plantation is a system of binding forces that weld people to the structure of the plantation. Everyone owes his existence to it. To rebel against it is to threaten one's own survival, for alternative opportunities are normally hard to find.

So far as the plantation owners are concerned, the primary aim is to extract as much labor as possible out of the labor force available. This naturally leads to a pattern of exploiting-authoritarian-management organization. However, recently this has become less exploiting and more benevolent on the one hand, and more regulated by legal national prescription, on the other. Lastly, some of these benevolent patterns have changed to more consultative management. Benevolence and paternalism have been a necessary part of the new strategy of plantation owners to keep the plantation community welded together. And this became so ingrained in many of the older plantations that modern corporate enterprises which have taken over planter units inherited a legacy of paternalism which is difficult to dislodge.

The plantation is a total economic institution. It binds every one in its embrace to the one task of executing the will of its owners. And because it is omnipotent and omnipresent in the lives of those living within its confines, it is also a total social institution. Social relations within the plantation community are closely related to the economic organization that governs production.

In Central America, the United Fruit Company comes very close to being on a par with the government of Panama and that of Honduras in terms of annual value of economic activity. Costa Rica, for which data are not provided in the table, has about the same level of national income as

Panama. It may be realized that in addition to the United Fruit Company there is another metropolitan enterprise, the Standard Fruit Company, also present in Honduras and Costa Rica, making the economic balance completely tilted towards these private enterprises when compared with the state economy.

The size of these enterprises relative to the state economies poses many important problems. One of the most important is the power struggle between the government and the companies in dealings and transactions. Another one is the problem of facing the inter-company transactions, as occurs when Firestone Company takes rubber out of Liberia or the United Fruit Company "exports" bananas from Central America. An associated difficulty is the question of the appropriate assessment of taxes payable to the government in the plantation economies. Equally important is the asymmetry reflected in the dependence of a country on a single company, but a company not dependent on a country.

Multinationalism and vertical integration are typical of all metropolitan plantation enterprises. The size and multinational character of these firms give them great political power and influence, not only in the plantation economies but in the metropolises and international spheres as well. "The term 'banana republics'," writes Beckford, "applied to the Central American countries is a reflection of the political power of the United Fruit in the area. The United States government is said to rely heavily on

that company for information on the Central American republics; and, in at least one instance, has intervened to depose a government which threatened to nationalize the company's assets. That was the Asbenz government in Guatemala in 1956."

The general pattern is one which provides metropolitan enterprise with full information about, authority over, and control of government policy and administration in plantation society and which in turn keeps the people and government of plantation society ignorant of metropolitan enterprise activity, with no control over it.

Vertical integration arose naturally in the growth of metropolitan plantation enterprises. Their initial involvement with plantation products took them to deeper involvement like plantation production and, subsequently, further into manufacture of plantation inputs and into allied activities like shipping, etc. The degree of vertical integration varies from one enterprise to another and is difficult to measure precisely in the absence of data. Although the output at one level of enterprise activity may be used as an input at another level, the total output at a lower level may be sold to other firms. In these instances, profit maximization at the lower level is viewed as a goal in itself. This is often the case with plantation output and metropolitan processing. The output at lower levels may go entirely as inputs at a higher level. This is normally the case with shipping, where the company

is geared into carrying its own raw materials, and with metropolitan distribution, where the transport and marketing network is geared directly into moving company produce. In these cases, profits at higher levels in the farm-consumer chain depend alternatively on the flow of product from lower levels. There is a high degree of internal interdependence between different levels of enterprise operations, as it is the case in the United Fruit Company and in Standard Fruit for which shipping and distribution are tied directly to plantation production.

On the average, cultivated land represents only 25% of the total land owned or leased by the company. This higher rate of underutilization is no doubt a reflection of the low cost of holding land, the need for maintaining as much flexibility as possible for outputs, adjustment at the plantation level in order to guarantee a product-flow adequate for full capacity utilization at the transport level.

The total sales of the UFCO in 1968 were on the order of \$510 million, but not all of this was from the sale of bananas. All the countries in the third world in which the company produces bananas received only 45% of the disposal value of the commodities produced with their resources. The value-added accruing to the company, and by extension to metropolitan economy, is greater than that accruing to plantation economy.

Table 1 shows how company payments were distributed

among third world countries, by type of payment in 1968. Each country gets a little bit but on the whole none gets very much from a business whose sales in the same year stand at \$510 million. On the average, payments to governments in all were only about 11% or so of total payments in these countries.⁶

One of the outstanding characteristics of plantation enterprises is that the capital stock of these firms is highly specific to the production and processing (including marketing) of particular crops. In addition to specific factories and tea factories, complementary investments at other levels tend to be specific to the plantation commodity, which is the case of designed ships for bananas. This high degree of capital specificity produces further inflexibility in the pattern of agricultural resource use. The more integrated the firm structure, the stronger the limitation. For this means that the firm also has investments outside of agriculture which are geared to the particular crops. Equipment, field labor, and land used in cultivation can be used for the production of any number of crops. But the capital required for processing (in the farm-factory and elsewhere) and shipping is quite specific. It is in these non-farm investments that help to create rigidities in resource use on the plantation. For capital specificity in related non-farm operations of the firm makes it less profitable to undertake crop switching or diversification at the farm level.

TABLE 1

UNITED FRUIT COMPANY: PAYMENTS TO GOVERNMENTS, EMPLOYEES, AND SUPPLIERS
IN THIRD WORLD COUNTRIES, 1968 (THOUSANDS OF U.S. DOLLARS)

	Co- lombia	Costa Rica	Guate- mala	Hon- duras	Pana- ma	Jamaica Nicaragua Mexico Salvador Ecuador British Honduras (combined)	Total
Payments to governments in 1968							
Income taxes		2,554		6,233	5,238	57	14,082
Import duties	15	478	92	217	251	81	1,134
Export duties		208	130	180	172		690
Other federal and municipal taxes	43	340	107	820	120	542	1,972
Railway transportation and wharfage			40				40
Total	58	3,580	369	7,450	5,781	680	17,918
Payments to employees and suppliers in 1968							
Payrolls							
Ordinary wages	455	13,048	4,770	20,038	14,076	3,627	56,014
Social benefit payments	354	1,794	1,334	3,510	1,755	620	9,367
Workman's compensation	2	316	172		262		752

TABLE 1--Continued

Retirement fund contribu- tions	7	72	47	236	112	26	500
Purchase of agricultural products							
Bananas	15,601	505	696	3,744	7,345		27,891
Other (cacao, sugarcane, plantains, cottonseed, palm oil, livestock, etc.)		4,160	13	201	106	1,633	6,113
Merchandise and materials purchased	6,371	2,443	4,193	3,817	10,115	3,850	30,789
Transportation							
Railway		48	532	430	180		1,190
Air and other	32	87	149	284	186	130	868
Rentals including aerial spray							
Contracts	317	243	117	282	379	73	1,411
Utility services	24	167	23	47	130	109	500
Other miscellaneous payments	1,711	1,748	292	161	848	1,583	6,343
Total	24,874	24,631	12,338	32,750	35,494	11,651	141,738
Grand total	24,932	28,211	12,707	40,200	41,275	12,331	159,656

Source: The United Fruit Company, The United Fruit Company in Middle America (Company

pamphlet, Boston, n.d.), p. 2.

The heavy capitalization and the crop specificity of investments expose plantation enterprises to an inherently high degree of risk and uncertainty--particularly in respect to crop losses from natural or other (political, for example) causes and of price fluctuations. This induces at least two counter-measures which affect resources allocation within the plantation economies.

The first is the exploitation of market imperfections. On the product side, this is expressed in enterprise control over disposal prices. United Fruit Company achieved this so effectively in the U.S. banana market that it had to face a Consent Decree of the Department of Justice to divest itself of part of its capital for the formation of another smaller company. In any event, United Fruit Company will still be able to maintain its position of price leader in the trade.

The second counter-measure is the geographic dispersal of the firm's plantation operations. This minimizes the risk of crop losses. In addition to losses from weather and disease, this measure is a hedge against unfavorable changes in the political and economic situation in individual countries and it increases the flexibility of output expansion for the firm itself. For although the firm may increase over-all acreage and output in response to an increase in the relative price of its output, it may, in the process contract acreage and output in a particular individual country. The firm is concerned with

efficient resources allocation between its different areas of agricultural operation; and this often results in inefficient resource allocation. Within a particular plantation enterprise efficiency conditions tend to be met on the over-all operation--that is, between plantation sectors of national states but not within the agricultural sectors of individual nation states.

The land area required by a plantation will be influenced by several factors: the price of land, the size of factory investment, the ratio of factory investment to total farm-factory investment, the availability of raw material supplies from other sources, and expectations of future market possibilities which influence desired flexibility of output adjustment. The actual land area acquired by plantations will depend on the resources of the firm, the cost of land, and the scale economies of processing particular crops. Given a particular scale of plan, the minimum area then required would be determined by the level of output required to cover fixed costs in processing where nonplantation supplies are available. Where these are not available a larger area will be necessary to make processing profitable. The same argument applies to shipping.⁷

Normally, plantations would try to secure land well in excess of the technical minimum. Price expectation and the cost of land would mainly determine the maximum area. The lower the cost of land and the brighter the long-term

market expectations, the greater would be the area secured for plant production. Because historically the establishment of plantations has been associated with the opening up of new territory, low-cost land has been usually available and this has led to the alienation of vast areas even beyond expected requirements at the time of establishment.

United Fruit Company acquired more land than it could possibly use for banana production for different reasons: (1) continuity of the plantation tract, (2) control of right of way to other favorable areas, (3) marginal land may have profitable future use, (4) anticipated price rise for the land, (5) keeping out competitors, and (6) unfertile land has to be acquired along with fertile land. We might expect further inducement for excess land-holdings from the following considerations: (1) land ownerships increase political power, (2) land increases the flexibility of accounting since its valuation can be used to raise the value of the capital stock, thereby adjusting the profit rate, and (3) land can be a hedge against political risks of nationalization if going market prices are part of compensation arrangements.

The land area actually in use at any particular point in time is a function of the price of output, the cost of production, the technological requirements of plant scale, and the price at which the firm can obtain independent supplies of the raw material. High rates of profit are characteristic of the early stages of development of

plantations as a result of the natural fertility of virgin land. But over time, profits get squeezed as diminishing returns and rising costs set in. This stimulates technological improvements to raise the productivity of land, like new improved varieties, irrigation, fertilizers, etc. As technology changes, some lands previously in production may become marginal, but the plantation will keep these in reserve since future favorable changes in output prices may justify their use at a later date. In Central America, United Fruit Company for several years maintained possession of thousands of acres which had been abandoned in the wake of Panama disease and the company was able to bring these areas back into production quickly during the 1960's with the advent of the disease-resistant "Valery" variety and favorable market prospects.

The United Fruit Company has been always improving its methods and techniques and applying them constantly to the agricultural works at the plantation.

In the thirty-ninth Annual Report to the stockholders, the Company's president, Lamuel Lemurray wrote: "The Company has had the best available experts constantly engaged in research work in order to determine the necessary protective measures and most efficient technique to combat the disease (sigatoka), and it now has been definitely proven that control is entirely practical where the area is large and the production is heavy and lasting. Since the successful outcome of the Company's experiments, complete

spraying systems have been installed on 58,750 acres, the results of which have been and are very satisfactory; spraying systems are being installed on an additional 6,880 acres and the Company is prepared to increase the acreage under spray protection as fast as needed.

"During the past few years the Company has perfected a method of applying water to its cultivations by means of overhead irrigation systems in those areas having an insufficient rainfall. Although the initial cost of such overhead installations is somewhat greater than surface irrigation, the more satisfactory application of water and decrease in operating costs more than offset this disadvantage, and the Company is installing overhead systems on many of its new farms where irrigation is necessary."(United Fruit Company, Annual Report, 1938, Boston, Massachusetts, pages 6 and 7.)

By the time the banana plants begin to come up, plant disease control must be established, and this requires the permanent installation of spray pumps and pipe lines. Another set of pumps and pipe lines as well as canals must be established in most areas for irrigation in the dry season. In new divisions the Company usually installs overhead irrigation. Under this system great areas receive controlled "man-made rain" as climactic conditions warrant. Each revolving nozzle is capable of irrigating 3.3 acres of banana plantings. Irrigation, spraying and fertilizing methods are constantly being

tested and improved.

Some important changes have been implemented not only regarding particular needs and interests of the Company but also under pressure coming from governmental priorities. As an example we can mention the plan of diversification of crops in the Company's lands. In 1943, the Annual Report said: "As part of a comprehensive program to assist in building up Middle America as a reservoir of strategic and essential corps vital to our hemisphere, a Department of New Crops has been formed. The principal function of this new department will be to guide and counsel farmers of Middle America in selecting new crops which may be grown to replace in part the many crops lost to the United Nations by the Japanese invasion of the islands of the East Indies and South Pacific. All of this work is being done experimentally at present by the Company at its own expense. Prior to December 7, 1941, the Company owned 2,046 acres of mature abaca, a banana-like plant from which fiber for the manufacture of manila rope is obtained. This was the only source of abaca seed available in the Western Hemisphere. Working in cooperation with the Department of Agriculture and other government agencies, the Company has extended to date the planting of this vitally strategic material for account of the government to 28,682 acres, which plantings have been made in Panama, Costa Rica, Guatemala and Honduras. A substantial quantity of fiber is now being produced, and the production will

decrease rapidly from this date forward." (Annual Report, United Fruit Company, Boston, 1943, p. 7).

Changes constantly affect not only agricultural aspects. From the point of view of the Company, there are some other aspects very important for the banana production as health. A large labor supply is necessary to maintain and operate the Company's plantations and facilities and the health of labor is an important factor in production. These changes or improvements in health have usually been presented as benefits to the workers rather than requirements for the Company's economic production, and in such character are important to understand its role in the disconformity processes. The Company's early scientific approach to its agricultural problems was matched by its awareness of the need of a similar scientific approach to health and sanitation measures for its employees. In 1913, an integrated Medical Department was created to supervise the hospitals and sanitary work that had already been in operation in the various tropical divisions.

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CHAPTER III
NATIONAL CHARACTERISTICS INFLUENCING THE BANANA
PLANTATION -- HISTORICAL AND
CURRENT PERSPECTIVES

It is indispensable to look briefly at those features of the context, picking some facts about the Central American isthmus, and the Costa Rican national characteristics which influence the banana plantation under study.

To get this general insight it is very useful to look into the work of Edelberto Torres Rivas who proposes some hypothetical connections of facts that seem to be helpful to look at the plantation unity.¹

The beginning of banana investments in the area is closely related with a new tie between North American and Central American economies at the beginning of this century. The difference of stages of production between both economies insured opportunities for larger profits to the most developed one, and furthermore, to guarantee it by extra economic measurements that in Central America went as far as military intervention, diplomatic pressure and partial control of public institutions.

The banana investment became always a totalizing organization of the business, an autonomous force that operates from decision centers located outside the area

where it operates. The technical conditions of production as well as the perishable nature of the produce, favored the idea that a single enterprise cultivates, transports, and distributes the fruit.

To reach optimum conditions of commercialization it was necessary to go from buying to the local producers to the control of the production itself and those economic factors strategically related with the plantation, as railroads, docks and sea transportations. To reach the highest levels of capital and technology, and simultaneously, an increasing independence from local markets, it was necessary to create an economy of monopoly, built on the absolute control of factors of transportation and production. Foreign banana investments, pointed to the pre-existent local domination system and affected not only the economic system but the social, political and legal as well.

What determined the evolution of the original local banana harvester to a foreign owned monopoly was the existence of an economy which because its geographical neighborhood and technological advance, was prepared to organize nationally the business, planning it and affording the high investments of capital and technique that the business requires. It operated through two stages. During the first one national leaderships shared a candid optimism about the modernizing virtues of railroads and plantations as the opening of new zones and the creation of sources of

jobs. During the second stage, the belief was that the fruit enclave, being a depressor of local markets, was an irreversible fact, the elimination of which would produce worse problems. Historically, the state governments had to rely totally on the foreign companies to build railways and other transportation facilities which were of national importance. Thus, in return, the governments were forced to concede favors to the companies in terms of large concessions in land lease. The banana investment was inserted as a disruptive factor because it was an autonomous sufficient sector, isolated and only linked to the external monopoly. Banana workers' wages always were higher than the average wages in the national agriculture; the problem is that consumption was channeled through stores where national and imported goods were sold at lower prices because usually taxes were free. This situation isolated the local market economy from the labor sector best paid in the country, and destroyed the possibility of tying the plantation worker's potential consumption with the national market.

In brief, we might say that the banana production always appeared associated to the construction and administration of infrastructural work, generally, public services that since then reorient their goals and functions to associate or fuse with the interests of private exploitation.

Because of the strong influence of the foreign sector

on the power structure, they got exemption of payment of taxes and contributions. The profit produced locally increased the metropolitan capital almost without passing through the national market.

The plantation functions as a capitalist enterprise, with a rationalized and highly specialized production fostering capitalist accumulation. It works on the supposition that labor is abundant and very cheap. It is a form of agricultural organization that corresponds to a higher level of capitalistic development in comparison with the "hacienda", and therefore acts as an agent of social and cultural change with different effects. One of them is the formation of new social groups: the agricultural worker in the fields and the industrial worker in the railroads, and industrial installations and docks which run around the plantation. After World War II, the situation crystalized into an alliance between landowners and banana companies, deciding the fate of the national state and society.

During the twenties, it was in the banana plantations where the union and protest movements arose in a more modern fashion. In the fifties, even when the North American capital moved toward the industrial sector, it did not abandon the traditional investments in agriculture. The banana cultivation structure varied. In Costa Rica the UFCO doubled its investment to \$22 million during the period between 1940 and 1950 and extended the cocoa

plantations, abaca and oil palms.

The purpose of this study is not an exhaustive analysis of the banana industry. For a wider information we may refer to the bibliography about the general and specific aspects related to the historical development of the structure of the United Fruit Company in Costa Rica. We mention here only those elements which would be useful for the understanding of our study, that is, the social structure and process of a banana plantation located on the Pacific Coast of Costa Rica.²

Costa Rica, located in the central part of the American Continent, is approximately as large as the state of West Virginia in the USA. It is limited to the north by Nicaragua and to the east with the Atlantic Ocean, to the South with Panama and to the Southwest with the Pacific Ocean. The total extension of its territory is 19,700 square miles.

The physical structure of Costa Rica consists of: (1) cool central highlands, (2) warm Pacific lowlands and leeward mountain slopes with well-defined wet and dry seasons, and (3) Caribbean lowlands and eastward-facing escarpments, rain-drenched and forest-covered.

In the Caribbean lowlands, the rapid growth of the banana industry attracted many highland merchants and professionals to the port of Limon and to the market towns that arose along the rail lines within the plantation area. But few white peasant farmers from the Meseta Central

ventured into the rainy, malarial lands, and negroes imported to labor on the plantations there became the dominant racial group. "Although banana plantations grew up soon along the Caribbean coast, its influence in the Country's development was of minimal importance because banana cultivation was not as permanent as coffee cultivation is. For unknown reasons, after some years, it was found that before the soil lost its fertility, the plantation perished. The substitutive cultivation, the cocoa, was of inferior quality and was low price. During the highest production years, the zone was a colony of the American capital, partially isolated from the interior's highlands, not only geographically but also racially. Once the plantations got ruined, the zone fell down back to the lethargy which exists to this day."³

The greatest expansion of settlement in the entire history of Costa Rica took place between 1930 and 1960. During this time the United Fruit Company shifted its banana industry from the Caribbean to the Pacific Coastal lowlands.

What once was a banana zone between Parrita, Quepos, and Savegre, and the present cultivated banana zone between Palmate, Golfito and Coto Colorado (see map), differs fundamentally from the rest of the country because its economic and social structures differ. The process and the form of penetration into the new lands, the use of the soil, the shape of the settlements, the social structure and

the varying composition of its workers are so different from the Costa Rican cultural panorama, that people speak about the "zone" as a foreign country.

Both zones are very similar in their physical and geographical aspects. The wide coastal plain, swampy in some places, is cut by isolated small hills. The coast appears articulated only in those sectors where low counterforts with round peaks reach the shore. Estuaries, surrounded by mangrove trees, litoral lagoons and wide swamps covered with palms, go often along the coast. The plain is formed by thick alluvial deposits.

The climate presents extraordinary differences. On the average the temperature exists a very remarkable minimum, between July and October in Quepos, between June and August in Golfito; the annual average is 26 degrees centigrade. Quepos has a dry period from January to March and an average annual precipitation of 3,822 mm. Every month is humid in Golfito, annual precipitation varies between 4,800 mm. and 6,000 mm. Today only the Golfito region is designated as the "zone".

Around 1923, two colonies were formed in the inferior course of the Naranjo river, the first small farms of bananas. In 1927 the first bunches were shipped from Puntarenas to California. In 1934 a strong immigration of workers from the occidental highlands to the new zone took place. Banana fields were spreading over the whole plain and some cattle farms were formed between Parrita

and Quepos.

In 1939, the Compania Bananera de Costa Rica, subsidiary of the United Fruit Company, began to buy banana fields and virgin lands in the Pacific Coast, to build a port in Quepos and to tend the railroads. In 1941, 3.3 million bunches were exported and 8.5 million were exported in 1948.

The setting of an intense plantation economy was accompanied by a considerable immigration of workers from the center of the country and from Nicaragua and Panama. During the first ten years more than 10,000 people came into the "zone". Quepos and Parrita were the administrative centers, even though they did not have urban characteristics. In 1948 the county of Aguirre was created with Quepos as the head.

Some few years after the plantations were established, the Panama disease caused wide damage. In 1947 the Company began to diversify its cultivations with cocoa, African Oil Palm, and some tica and caoba. Near Parrita and Quepos a machinery to extend oil was set.

After the plantations fell down, some lands were distributed among former workers of the company. Cattle raising in the big properties and agricultural production in small farms increased. The county became one of the most important rice suppliers. Population increased from 15,291 in 1950 to 21,718 in 1958. Outside the zone of old plantations the agricultural colonization

advanced slowly. Malaria was very widespread over the lowlands which are wet and hot. Population suffered from malnutrition, diseases and lack of energy.

The southeastern low plains of Costa Rica were almost uninhabited when the United Fruit Company initiated its activities there. Some "Chiricanos", a few Costa Ricans and Nicaraguans had settled the Pozo, now Puerto Cortes, big pasture fields and rice fields.

Writing in 1930, for the Geographical Review, Leo Waibel said: "The most recent stream of migration, from the central highlands down the Pacific slope into the valleys of the rio Digrios and Osa, had resulted by 1936 in a population of 9885 in an area that has been very roughly estimated at 750 square kilometers; the average diversity in this newest settlement area is therefore .13 to the square kilometer valley of Osa and in other parts of the Pacific coast, but no data are available.

"The Pacific lowlands, sparsely settled throughout, show an average density of 11 to the square kilometer; only the terraces in the lower regions of Puntarenas and Esparta show a greater density--26 to the square kilometer. Similar to that of the Pacific lowlands is the density, 18 to a square kilometer in the Atlantic lowlands, but here the settled area is small and the larger part of the land is still unoccupied."⁴

In 1938 the Compania Bananera began its program and created three districts. Palmar to the west, Golfito to

the Center, and Coto Colorado to the east, are the three districts, with parts in Costa Rican and parts in Panamanian territories.

The regional development started in Golfito, according to a systematic plan. The railroad was built until the forest selected for the sown field, then they opened, felling long lanes, leaving sections between them of 1.5 to 2.0 km. long for 250 to 450 m. wide.

After the excavation of central draining canals, in the lanes previously opened, the felling of the sections began. These sections were divided into some smaller ones.

The farms did not constitute a permanent element of the cultural panorama. Great floods like that of 1955, the banana fungus diseases, the fast decay, necessitated constant exploitation of new available land.

Production varied considerably. In 1952, ten million branches were exported, 5.5 in 1956, and 8.3 in 1958. Although in general, storms were frequent on the Pacific Coast, hurricanes flowing from Panama cause severe damage. For example, in 1958 two and a half million bunches were lost.

Palmar Sur and Puerto Golfito became administrative centers. Housing for employees of high status were constructed on stilts protected with mesh wire from mosquitoes and each house was separated from the others by well-kept lagoons with recreation courts. The hospital, club, the commissary, and in Palmar Sur, the landing strip and railroad

station located in the center of the development, which does not follow the Spanish rectangular grid pattern. Special characteristics of these settlements include the acute spatial differentiation, like: North American sectors, Costa Rican sector (for the workers and employees), and the sector of the agricultural workers.

In no other part of the country were the social contrasts as marked and evident as in the "zona". Between 1938 and 1950, 20,000 immigrants entered the "zona" and an additional 10,000 arrived from 1950 to 1959. The majority were Nicaraguan and Panamanian: mestizos, zambos, mulattoes, and ladinos that came without their families. Lacking any formal education and with very low levels of living standards. They were absorbed by the masses that were developing rapidly. Later a slow immigration movement was made by Costa Ricans, in particular from Guanacaste province.

Along with the systematic colonization of the large capital of the banana companies, an agricultural colonization movement by Costa Ricans started soon after Golfito was founded. At the foot of the limestone range that is the northern limit of Coto Colorado Valley, some cattle ranching and rice farming came into existence. Stimulated by these happenings, small semi-urban centers began to erupt. These soon evolved into small hamlets such as Corredor.

One of the first immigrants was a Lebanese, one R. Neily who between 1939 and 1940 acquired an extensive farm, and established a retail store. Shortly afterwards, Villa

Neily was established on this land. Currently it is the largest prostitution center in the zone. Downtown had such services as a bakery, movies, theatre, pharmacy, ice factory, dentist's office, etc. The Central American highway passes along its southern edge and in 1959 there was a population of 2,500 inhabitants. Real estate lots were offered for sale by radio advertisement. The sales announcement proposed easy payments for development purposes.

The functional influence of the settlements located in the periphery penetrated the zone, but its agricultural production was small, mainly because salaries, paid by the banana plantations were too high for the current cultivations to compete with. This is valid for Puerto Cortes, Palmar Sur, and Puerto Jimenez.

To complete our sketch, let us take some information gathered and presented by Clarence F. Jones and Paul C. Morrison (p. 10).

Banana agriculture was developed by independent growers in the Rio Parrita and Rio Naranjo valleys before the UFCO became active in that area.

In these valleys is now what is called the Quepos division, which has four districts: the Naranjo, the Sevegre, the Savegre East in the coastal valleys to the south of the Naranjo, and the Damas to the north.

Banana production from the Quepos division reached a peak in 1951 and rapidly declined and eventually disappeared.

As land in the Quepos division was abandoned for banana growing, the UFCO planted other things, such as cocoas, African oil palms, pasture growth, and small areas of mahogany and teak. In this area are found approximately 8000 acres in African oil palms, some of which began to bear in 1949. The Damas district is now all oil palm and cocoa.

It is important to remark here how the phenomenon of abandonment seems to be a constant element in the banana plantation agriculture, followed by the natural social and economic distress and decline once the banana production ceases in the area. This fact must be kept in mind to understand how the perception of this fact is cause of different reactions from the groups involved: the company staff, government, workers, etc.

When the UFCO began the development of the Golfito area, it was either uninhabited or very sparsely settled tropical rain forest. There was a small production of bananas at Palmar on the Webb farm before the company came. Also, there were a few people along the Terraba River, as at Puerto Cortez, and several small settlements along the coast.

The UFCO built 246 kilometers of railway lines; constructed modern banana shipping facilities at Golfito, with equipment for loading 4000 bunches of bananas an hour. It built a town of some 7000 people with a hospital, stores, construction shops, communications, recreation, and other

modern facilities. It developed near Golfito a dairy farm and a modern pasteurizer, and brought into production thousands of acres of bananas. The main line railroad from Palmar and the port of Golfito were completed in 1941, the port being finished before the railway. It also brought into the area in addition to company officials, some 15,000 white and mestizo persons as workers from Guanacaste and other west coast localities. In addition to workers living on the plantations or in Golfito, the company encouraged settlers to establish themselves along the main line railroad between banana districts. These people provide the extra labor needed at the wharf during banana loading operations, the extra workers required in developing new construction, and at times, labor for other activities. Between periods of work of this nature, these settlers grew much of their own food and also food for the population of Golfito.

The growing process of the division increased rapidly. Around 1940 a little fruit produced on company holdings in the division moved via barge to Quepos for export. In 1941 exports through Golfito totalled 510,260 stems. Shipments increased to 1,018,350 bunches in 1943. No bananas were shipped between January and August of 1942, owing to lack of ships. Shipping was scarce until 1946. The exports from Golfito in 1948 totalled 6,384,155 bunches. The Golfito division at the end of 1948 had nearly 25,000 acres in bananas in four districts. Three of them were

in the neighborhood of Palmar. The three districts lay on the south side of Rio Terraba and had nearly 16,000 acres of bananas in farms of 800 acres each. In addition, there are 2,000 acres of independently owned bananas (known as the Webb farm) on the north side of the river. These are sprayed and the fruit is purchased by the UFCO. Bananas were carried from this farm across the river by cable line to the railroad. Farther down the river on the north side were also 400 acres of independent plantations and on the south side of the river some 1200 acres of independent plantations from which the company purchases the fruit. Halfway between Palmar and Golfito is the fourth banana district, with some 5,000 acres of company plantations.

In extreme southern Costa Rica in the southern part of the Coto region the company had another banana area. Part of this was in Costa Rica and part in Panama. When the farms were laid out they were thought to be in Panama, but a settlement of a boundary dispute between the two republics placed the boundary through the plantation area.

Production in the Costa Rican portion started about 1945 with some 300,000 stems. In subsequent years plantings were large so that the production in 1949 probably amounted to more than one million stems. These bananas cross the border into Panama at a point called Puerto Armuelles.

We will see how both populations vary in their interaction and perform specific roles in the complex system of

the plantation: (1) isolation from the Central Valley where the county headquarters are; (2) close interdependence between the plantation and the urban centers around it. In the next chapter we will deal extensively with these particular factors which are decisive in shaping the whole plantation system.

The Administrative Process

One of the most relevant aspects of the banana plantation organization is the structure and process of labor itself. Work is the central issue at the plantation, and life turns around the different tasks assigned to each one of the functional groups, along unities of time determined by the common endeavor.

Labor organization is structured in a bureaucratic pyramid of authority and responsibility, both defined by a complex body of regimentation and laws. Here I will present the major features of this complex scheme, especially those closely related to the central problem of conflict or cooperation among the structural participants.

There are two ways to approach this scheme; one is the description and analysis of functions performed by groups or individuals; and the description and analysis of groups and individuals who perform those functions. We try to use one or another as it would result more explanatory and relevant.

Our main purpose here is to show how some administrative features reveal some forms of specific exploitation by

manipulation apparently legal, and how the direct relationship between man and man in the fields is shaped by the general basic policies and decisions intrinsic to this particular kind of capitalistic enterprise.

The main distinction is between order-givers and the people who just perform manual labor without the possibility to give orders themselves. The first group ranges from the President of the Board of Directors to the foreman who distributes the labor among the members of a team of workers or the timekeeper who supervises the time spent in each work. The second group is a large number of workers whose only function is to apply physical force to land in order to produce the agricultural output.

The plantation is organized by "divisions" which range in size from 10,000 to 30,000 acres. Each division is divided into unit farms of 500 to 1,000 acres, each of which is operated as a separate unit with its own operating facilities for irrigation, administration, disease control and labor force.

Golfito division is really a system of farms, urban settlements, headquarter offices, and port facilities. Each of the districts of the Golfito division is divided into a number of farms, the number varying from five to nine; seven is the ideal and most usual number.

The typical farm, rectangular in shape, consists of 800 acres of bananas, with about 20 acres devoted to campsite and buildings, and may have as many as 150 acres

in pasture land (see figure--map of a farm).

Each 800-acre farm requires the labor of 150 workers employed the year round. Included are about 81 workers who weed, prune, and harvest the bananas, 40 spray men, 8 fruit washers, 8 stevedores, 5 irrigation men, 3 foremen, 2 timekeepers, 1 overseer, 1 stockman, and 1 sanitation man. Within the supervisory force are included division managers, superintendents of transportation, agriculture, commissary and other departments, farm overseers and timekeepers, accountants and chief inspectors. Among other white-collar employees are clerical assistants and storekeepers. Skilled labor includes farm foremen, axmen, railroad mechanics, surveyors, construction engineers and operators of steamshovels and dredges. Among the semi-skilled workers are ditch-diggers and road makers, cutters who harvest the fruit and clean and prune the cultivations, and members of loading gangs who pack the bananas in railway cars. On the wharves, in the railroad yards and on the farms, certain unskilled laborers are required, some of them permanently and some of them temporarily.

These workers of different categories are paid in various ways. As a rule white-collar workers receive monthly wages. Members of railroad gangs receive weekly wages, and casual unskilled laborers receive daily or hourly wages. Longshoremen, who carry the bananas from the freight cars to the loading machines on the ships, are paid by the bunch.

The value of spade work on ditch-digging or road-building projects is measured by the distance covered. When the company requires the clearing of virgin land, it gives contracts not to individual workers but to foremen who make their own terms with their men. The bulk of farm maintenance and harvesting is performed by workers holding individuals' contracts to do certain specified tasks.

The labor organization is based on a relation of labor scale. The price of labor adopts a number of forms ranging from a usual salary based on a certain number of hours worked by week or two weeks to the single task work contract for a particular occasional work or permanent task non-limited by schedule but by accomplishment of certain taskwork as is the case in taking care of a parcel to keep it weeded, cleaned and ready for other work.

Most of the communication between the staff and the workers is about the conditions, prescription, and price of the manual work. The whole of conditions are seen by both staff and workers as part of the price or retribution for labor. The tension rises from the staff's constant attempt to diminish or keep the labor prices, by increasing the level of labor for the same level of prices, or by lowering the level of prices of labor, or different combinations of this sort. Because some of these possibilities are regulated by law, the manipulation is concentrated in the increasing of the amount of labor keeping the price level steady.

The decision of the worker to do a particular job for a particular price (money and services such as health, housing, etc. included) is an individual one, but the set of circumstances containing that decision make it a collective situation. The relative power of the Company in front of the power of the worker is overwhelming, and produces a permanent process of action and reaction, definition and redefinition of the contractual result of this confrontation.

At the early times of the banana plantation's development, work conditions were determined by the urgent necessity of labor by the Company, the hard climate and living conditions, and the workers' expectations. High salaries were the only real incentive for the workers. Later on, as soon as the labor supply increased and the demand went lower, work conditions changed and became more and more institutionalized by law and new arrangements coming out of crises, strikes, and other conflicts.

The most relevant significance of work on the banana plantation is that it is the source of survival for the workers and the indispensable requirement for enterprise profit-making. Isolated from other sources of income, the worker relies almost completely on his work at the plantation. The nature, conditions, amount, duration, rhythms and certainty of work become the central issue in the worker's life and he is grafted into the whole organization in his total personality. The worker becomes a cog

wheel in the machinery of the plantation system.

In Costa Rica there is a system of minimum wages established by law. The minimum wages for a period between 1961 and 1964 are set out in Table 2.

TABLE 2

MINIMUM WAGES FOR COSTA RICA FROM
1 OCT 1961 to 30 SEPT 1964

Costa Rica 1963	Salaries per day
Minimum wages (1 Oct 1961 - 30 Sept 1964)	
Coffee plantations: laborer	9.00
Banana plantations: laborer	14.00
Cocoa plantations: laborer	13.50
Sugar cane plantations: laborer	8.20
Wages paid	
Central plateau coffee plantations	8.50-9, sometimes a little over 9
Cocoa plantations (Linion)	9.00 or less
Compania Bananera de Costa Rica plantations (not subject to decree fixing minimum wages)	16.00 after the 1962 direct agreement came into force (1 year later the wage was to be 16.40 and 2 years later, 16.80)
Standard Fruit Co. banana plantations	19.00

Source: Plantation workers, I.L.O International Report,
1966 Geneva, p. 105.

These legal constraints are important new factors reshaping the bureaucratic organization of the banana plantation.

The main factors contributing to this trend of change are the increasing scientific basis of plantation production and the organization of plantation workers into unions. The adaptive attitude of the management level, derived from the neo-capitalist ideology of the corporations, has imposed over the division superintendent's authority a great deal of consultation and negotiation--more than traditionally had been the case. The unions' increasing activity has produced a concomitant government involvement which makes the banana plantation labor relationship a national issue and involves several wider publics especially important as public opinion pressures during the crises.

The local plantation company, Compania Bananera de Costa Rica, is a subsidiary of a parent organization located in the metropolitan country and decision relating to its operation are directed from that center. Organization of activities on the plantation is therefore designed to insure that decisions taken at the center by the parent company are implemented in the best possible manner. The basic relevant fact is that decisions relating to the long-term organization of the plantation are made at the metropolis, outside the host country and outside the plantation itself, while the local management is concerned

with the day-to-day operations of the company with a view to implementing the long-term decisions of the parent body and to achieving the objectives set by it.

Fundamentally, the long-term objective of the Company is to maximize profits, subject to constraints imposed by the need to exist in the Costa Rican environment. These constraints derive largely from government policy and from trade union activity. On the estate itself, alternatives are evaluated in terms of costs relative to output. The searching for maximization of profits leads the company's choice of how, when and what to produce.

Once this objective becomes operative, the rest of production decisions follow logically. In order to increase efficiency, modernization is necessary as much as "rational" utilization of labor and natural resources, very often understood by the lower staff as indiscriminate extortion over the workers.

It takes a long way since an order or direction is sent from the New York or Boston central headquarters of the company until it is received and operationalized at the Golfito division. The system of communication and decision-making goes along numerous influences, interpretations and redefinitions that sometimes make the application of the general policy something radically different than it was supposed to be.

Writing about labor and public relations, Stacy May and Galo Plaza said: "The critical point of United Fruit

Company's problems in its relations with its employees, the public, and the governments of Latin America, rests on the fact that the principal dependencies of the Company are controlled and directed actually mostly by North American elements. These people naturally behave according with the U.S. dominant values patterns. To be able to take over the banana production in Latin America, they have to deal with every kind of person--from the common worker to the presidents of the Republics--who had been formed according to different criteria." (La Empresa Estad, en el extrajero, May & Plaza, Nat. Planning Assoc., p. 216.)

"The Latin American people do not always see things from the same point of view as the North American people do. Their countries are going through a phase of social, cultural and economic development that frequently provokes expressions of extreme nationalism and enmity toward everything that in a real or fictitious way could symbolize foreign domination or imperialism."

The labor relationship systems, in all the tropical divisions of the United Fruit Company, were made uniform at the beginning of 1956. Some new offices were created to deal with these kinds of relationships after a detailed study made by experts hired by the Company after the serious difficulties in 1954.

Then a new program started with specialized offices to attend to the complaints presented by the workers. The original ideal was to protect the worker from repressive

action after he had presented his complaints. Among its duties are to take care of the applications for jobs, investigations of applicants and complete register of workers. The procedure was to discuss freely the complaints with the immediate chief, superintendent and labor relations office. Very often meetings are held between labor representatives and labor relations office representatives. The responsibility of these offices is also to establish measures to increase the labor force efficiency, by incentives, to try keeping the personnel steady and to implement or inspect movies, sports, and club programs.

Unfortunately, as was confirmed by information obtained in the field, these offices had become something very different from the original intention. The large amount of information had been used as a gun to manipulate the workers. Rather than protect people who complained, very often they registered them as enemies of the Company or possible candidates for union mobilization and immediately dismissed them. In the hands of old hounds of the Company who didn't understand the new methods, these offices became just espionage centers to detect possible "communists" to kick out, and trustworthy unconditional ones to reward with special privileges.

The administrative process at the banana plantation involves some general regulations left to the staff personnel for an interpretation when they are applied. The organization and distribution of the work, the assignment of

jobs and duties not only means an imperative coming from the productive process, but also a strife in monetary terms.

There are different forms of payment. For some jobs there is a minimum salary for a working-day of eight hours; for some other jobs there is taskwork payment. This taskwork is usually taken by contract by the worker who accomplishes it as overwork out of his working-day duties. The worker's total income comes from the working-day salary plus the taskwork payments. It is in the interest of the worker to get as much taskwork as possible.

On the other hand, the assignment of work is not only a question of coordination and administrative procedure, but also a question of getting the maximum effort from the worker for the minimum payment in such a fashion that the work can be done efficiently without surpassing the budget.

As a result of the conflict and strike in 1971, the collective arrangement was subscribed to by the Company and the workers. In this document many things relating to the administrative relations of work were defined and specified by mutual agreement, but at the time this study was done, most of these situations remained undefined and became a constant source of conflict.

In an agricultural enterprise the administrative process is perhaps more complex than in an industrial one because of the changing factors coming from dealing with nature. The whole administrative process must adapt itself to unforeseen natural phenomena and procedures remain

open to numerous changing factors.

Also the heterogeneous character of personnel presents problems to be solved. Part of the workers are single men, and the other part are married men. Age, national and regional origin vary and make it difficult to find a general formula of organization.

The general attitude of the staff is to keep a rigid loyalty to the Company embodied in the person of the high hierarchy managers and the idea that discipline is based on fear and iron hand in interpersonal relationships.

In general, the administrative process resembles the military organization of an army and is totally inspired by the ultimate economic goal of the Corporation which is profit-making. As a result of these administrative circumstances, the workers organize themselves in unions or keep a virtual individual attitude of resistance and clandestine discontent.

The main source of this comes from the inaccessibility of the staff for the worker assessment and the abuse of power and authority from the side of the middle level hierarchy. And the fact that the assignment of jobs, and the discharge of personnel becomes a means of extortion and manipulation of the worker is also very important. Some of the jobs are seen as humiliating while others are seen as prestigious. This way, the worker's opportunity in life, for him and his family, depends on the personal attitude of the "mandadores", foremen and timekeepers. This attitude is based on economic

constraints imposed from the nature of the enterprise as a profit-making corporation, as much as the submission and obedience from the side of the worker. The opportunity of life is defined as a concession from the Company according to the degree of efficiency and loyalty to the enterprise as an abstraction and to the persons of the staff.

NOTES

Chapter III

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CHAPTER IV

STRUCTURAL FEATURES OF COSTA RICAN SOCIETY WHICH INFLUENCE THE BANANA PLANTATION SYSTEM

We mentioned the enterprise as one of the major factors that shape the social structure and process of the banana plantation. Now we must look at the national context in those relevant aspects that contribute more directly to shape the particular social phenomenon at the plantation.

We could mention several social Costa Rican elements intervening: demography, education, health, communications, etc.; but the major one is the agricultural system, understood as the interrelated mechanisms of the relationship between land and man.

We are going to give some facts to support the statements about the connection between Costa Rican social and economic features and some phenomena observable within the banana plantation.

The real social differentiation of the country began with the coffee trade. The country passed from a closed economy and a cultural isolation to an open external trade. Between 1850 and 1880, the difference between farmers and "exporters" grew up, and the group of great coffee producers was consolidated. One sector of the small landowners lost

their lands in the hands of the intermediaries--merchants, exporters or landowners who owned the "Coffee Beneficios" and went to enlarge the growing group of the landless. This way they became agricultural workers, more or less free in their labor supply.

While the external demand of the small property product became an obstacle to the exportation possibilities, not only the extension of available land, but also the amount of capital invested came to be determining factors. Thus began the process of land concentration and the small productive unities disappeared or were converted into accessories of the exportation firms and/or that of the big landowners who owned the industrial plants where the coffee bean was processed. Subsequently, the economy as a whole became dependent on one single product, and the social growth of the state became completely dependent on the economy of the coffee trade. In fact the economical links originated by coffee became the necessary conditions for growth and internal development.

In the social stratification, the peasants occupied the lowest strata of the system even though they were the most important source of profit and wealth. The condition of such groups removed from the benefits of production and wealth made possible the integration of middle and upper classes at the urban level. At the top appear as beneficiary the exporting-importing merchants, the coffee producers, owners of industrial processing plants and the

speculators and financiers.

The banana investments appeared when the resources of capital and industrial techniques made the business a profitable one. It occurs during a transition stage the free capitalistic competition in the developed countries to the monopolist face, in such conditions that two or three developed countries, after the distribution of different geographic zones, went to dominate the world market.

The banana production to reach optimum commercial conditions went on from the purchase from the local producers to the control of the production itself, and from it to the management of every strategic economic activity related, directly or indirectly, to the plantation.

In spite of the fact that salaries of banana workers are, normally, higher than those of agricultural workers in the rest of the country, this sector, the best remunerated, kept isolated from the local market and the national market. The economic growth has been reached on the base of the traditional possibilities of exportation, and the social groups incorporated in that sector have been unfavorably affected in terms of levels of life and income. The concentration of land brought a concentration of income with it. The CIDA/CAIS, in "Land Tenure and Rural Development in Central America", gives a rough indication of agricultural familiar income. This is shown in Table 3.

TABLE 3

AGRICULTURAL FAMILIAR INCOME, BY ECONOMIC GROUPS,
AVERAGE INCOME FOR COSTA RICA IN DOLLARS

Social economic group	Average income per year
Large landowners	\$20,473
Medium owners	2,117
Small property	1,084
Parceled land peasant	908
Landless worker	727

Source: CIDA/CAIS, in "Land Tenure and Rural Development in Central America", p. 85, fig. 19.

The economic backwardness comes from the sub-utilization of existent natural resources rather than their deficient production capability, and the sub-utilization of human resources rather than their low productivity. There is a close relationship between the concentration of land and the rural subemployment. This is shown in Table 4.

Coffee production precipitated the concentration of land and the expulsion of thousands of families to marginal zones. The traditional "hacienda" and the State Lands transformed themselves into modern banana plantations or into the "modern" coffee farms. Meanwhile, the demand for basic food products was hardly satisfied by importation and traditional "hacienda" or minor parcels production. This division of production was functional for modern interests and large landowners but distorted basically the agrarian

TABLE 4
CONCENTRATION OF LAND ACCORDING TO
THE SIZE OF FARMS (AVERAGE)

Size	Surface	Number
Microfarms	0.3	43.7
Subfamiliar	2.9	24.3
Familiar	14.2	19.8
Medium multifamiliar	41.2	11.3
Large multifamiliar	41.4	.9
Total number of farms		114.0
Surface in hectares	826.0	

productive system: permanent deficit in popular food supply and contradictory overspecialization imposed on the small property, just that one which lacks technology, resources and access to the market. All these factors had led toward an expulsion of the peasant from the land to the cities or the banana plantation zones.

The process of social stratification in Costa Rica followed a dynamic change from the generalized small land-owners to a spread-out medium property to a concentration of property and proliferation of landless peasants.

We are especially interested in one type of rural worker, the one we find in the banana plantation; he is the parceled land peasant or "fundistas" that abandon for periods of time their peasant economy to work on a salaried basis in commercial exportation crops: banana plantations,

coffee farms, cotton, sugar cane, etc.

Seasonal migrations are provoked by the need of a monetary income derived from the lack of land and capital for peasants themselves. The expropriation of thousands of peasants and the concentration of them in small land ownership are the mechanisms that historically the landowners have shaped to ensure labor for their farms. So the mechanism creates the labor supply and then the mass of workers becomes available to be manipulated and forced to accept miserable conditions of salary, sanitation, housing, and work. But these peasants never become definitively modern salaried workers because, after the period of work, they return to their "individual" parcels, thus becoming subemployed or most of the time unemployed. In this way the labor force is assured of being constant, because of the permanent subemployment of the peasants; cheap, because of the compulsive oversupply in the labor market, and obedient, because the mechanism inhibits the appearance of conscious and collective action by unionist or political organizations.

The agrarian sector keeps the deficit tendency in the food production for popular consumption. The rural sector is unable to absorb its own active population and constantly expulses human groups who create the abnormal oversupply of labor at the door of the banana plantations, becoming an "unemployment army" that will serve to scare and dominate the workers as we will see later on.

For a wide panorama of Costa Rican agrarian problems it would be useful to see the official publication, "Characteristics of Agricultural and Cattle Activity in Costa Rica 1950-1964" published in November, 1965. We are going to pick out some of the most relevant figures to illustrate our former analysis.

According to the population census of 1950, the agrarian occupation sector was the 54.26% of the active population, 147,577 persons, 142,952 men and 4,624 women. According to their status, there were 59.82% employees, 15.02% employers, 9.07% independent workers, and 16.09% familiar workers without salary.

In 1955, the total number of workers in agriculture was 162,945 persons; 41,289 worked for farms of fewer than 10 Ha and 49,471 on farms between 10 and 50 Ha or more. Both groups were 55.7% of the total number of workers. Of the total, 29.0% worked on farms between 50 to 500 Ha and 15.30% on farms bigger than 500 Ha. Table 5 shows the productivity of the agrarian sector.

The factors intervening to produce the low productivity in the agrarian sector are scarcity of capital availabilities (land, money, machinery, fertilizers, seeds, etc), use of outdated technology, and inadequate systems of exploitation and administration of the enterprises. The systematically restricted land tenure regime and the inadequate land distribution joined to an insufficient or non-existent infrastructure that the mass of medium and small agriculturists

TABLE 5

PRODUCTIVITY BY PERSON ACTIVE IN TERMS OF
INDIVIDUAL AVERAGE GROSS PRODUCT

Sector	1950	1972
Agriculture	\$3,874	\$4,670
Industry	\$8,309	\$13,109
Construction	\$5,019	\$5,943
Commerce	\$9,807	\$12,048
Services and others	\$8,537	\$13,229
Average productivity for the whole economy	\$5,524	\$8,177

cannot remediate. The national organisms in charge of the agriculture development have lacked coordination and the national policies have reflected the particular interests of the landowners rather than the collective interest of the whole group involved in this economical sector.

The mechanization of agriculture is closely related to the size and the financial resources available and is usually favorable to the wealthy large landowner while the mechanization process leaves an increasing group of labor unemployed.

Using the data published in 1959, by the Institute Geografico de Costa Rica and the Agriculture and Cattle Census of 1955, we have the panorama of land distribution in Costa Rica shown in Table 6. According to this table, there were 30,075 square kilometers owned by particulars, which means that more than a half of the territory is

TABLE 6
LAND DISTRIBUTION IN COSTA RICA
IN SQUARE KILOMETERS

Land category	Surface area
National territory	50,900
Superface in farms (1955)	18,523
Litoral reservations	2,900
Forestal reservation	5,301
Urban areas and roads	410
Rivers, swamps, lakes, islands, etc.	2,212
	29,346
Surface devoted to some other use or abandoned	21,544
Private property	11,552
National property	10,002

Source: Agriculture and Cattle Census of 1955, Institute Geografico de Costa Rica, 1959.

private property.

In 1955, the farms smaller than 100 Ha were 90.8% of the total number of farms and occupied only a third of the whole surface of farms; rather, the unities with 1500 Ha or more which were 0.31% of all farms occupied merely an extension of 29%.

A very important factor in the process by which the peasants abandon land is the condition of credit. Most of the credit for agriculture comes from state credit institutions. The credit applications are reviewed by the Board of

Directors of each bank who usually don't have enough agrarian technological knowledge and are exposed to pressures from the powerful economical groups in disadvantage for the little farmer or peasant.¹ Most of the bank credit is available for the large landowners and investors who are able to guarantee the bank's investment with their properties; the little farmer must confine himself to the complicated and insufficient loans designated for the small farmers. In the case of coffee, the credit to the small producer flows from the bank to the "beneficiador", a wealthier intermediary who has complete economic control over the small producers thanks to this financial system.² The farmers have used the bank credit working for more than 20 years without getting any accumulation of capital, and the situation is that they remain under low levels of productivity and virtual subsistency. Although the average loans are for less than \$3,000, there does not exist any disposition which forbids the large producer to access the small farmers' credit independently of the same bank.

The exodus of the peasant to cities and banana plantations is the consequence of the dependence of the national economy as a whole and the unequal distribution of means of production and opportunities of life. This passive expulsion of peasants becomes the overloaded labor supply at the banana plantations.

Some other features of this labor supply come from

other structural characteristics of the Costa Rican society, and are closely related to the general pattern of external and internal domination. These features are education, health, political orientation and organization, religious and ideological values and beliefs, traditions and customs. We want to just mention them here to remark that, along with the agrarian structure, there are some other elements influencing the group of labor going from the "hacienda" to the banana plantation. For a detailed description of them, we are obligated to remit to the bibliography.

The economic dependency of the country on the external sector makes the national government vulnerable to the pressure of foreign interventionists to adopt policies justified by the menace of a breakdown in trade activity.³ This dependency is revealed by the necessity of goods and service importation to keep production going, and its effects on salaries, investments and government revenues. The economic growth of the country had been determined by the fluctuations of the exterior commerce, especially by the alterations of the purchasing powers of Costa Rican export commodities. These alterations are derived basically from fluctuations in the exported volume of coffee and bananas, and strong oscillations of its prices in the international market. The price index of both products, based on 1962, went from 104.4 in 1940 to 146.6 in 1956, and fell to 99.4 in 1960, to go up again, reaching 109.1 in 1966. Very often low prices and low production coincide

and the whole national income goes down.

Also the overspecialization in the large scale production of certain goods for international demand and the underproduction of goods for internal consumption, make the country dependent on the importation of basic commodities. Recently, the ideology of industrialization as the key to development had made the country increase importation to fulfill the requirements of import ("insumo") or goods of capital (machinery).

I think these elements are enough to show the close relationship between the structural characteristics of Costa Rican society and economy, and the social structure and processes within the banana plantation.

The magnitude of the banana producing sector of the Costa Rican social structure could be shown through some estimations of the number of banana workers:

Pacific zone	8,000 workers
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Atlantic zone	11,000 workers
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If we accept that the average number of dependents for each worker is five, we can estimate:

Pacific zone	40,000 dependents
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Atlantic zone	55,000 dependents
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Adding both estimations we have this many people dependent on the banana economic activity:

Pacific zone	48,000 persons
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Atlantic zone	66,000 persons
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This would mean a total of 114,000 persons relying on the

production and trade of bananas. If we add to these the wide population living on civil settlements (outside the plantation) whose economic activity depends on banana production, the proportion is very high.

Regional Factors

Geographical isolation of the plantation has an important significance because it limits the type of relationship of those who live and work within it to other people outside its boundaries.

The banana cultivation requires a set of climactic and agricultural conditions without which the exploitation cannot be economical. These conditions are basically in terms of quantity of water and sunlight received by the plantation in a certain period of time and certain soil characteristics, such as the relative acidity, topography, and argillaceous content. These places are located in regions where temperatures are relatively high and precipitation abundant throughout the year.⁴ The banana plant, which matures in one year, demands from 75 to 100 inches of annual rainfall with no dry season, uniformly high temperatures, and well-drained soil to keep the roots from becoming waterlogged. This has determined the banana plantations' being located far away and virtually isolated from the cool central highlands of the metropolitan areas.

A remarkable characteristic of Costa Rican society is the high concentration of population, social and economic

activities, and decision-making centers in the Central platoon. In this area of 4,000 square kilometers (less than 8% of the total territory), lived 54% of the whole Costa Rican population in 1963. A high percentage of the services, public and private, are concentrated in this area, which has the best roads, schools, colleges, hospitals, energy plants, etc.

The regions where the banana cultivation takes place are backward areas where living conditions used to be miserable and expensive at the same time. The plantation is almost the only source of jobs while the small local peasants just devote themselves to a bare-subsistence agriculture. The plantation is really an artificial overdeveloped area in the middle of the backwardness. Roads, transportation, commerce, housing and employment are concentrated within the plantation; outside, only some people present a good economic and social position, usually completely dependent on the plantation workers' demands, these are small merchants, pharmacists, physicians, lawyers, owners of whorehouses, etc. The rest of the population lives in an oppressive poverty, or has to work at the plantation.

The original local settlers are increased constantly by two types of latecomers: one group is that of families coming from other parts of the country or abroad who cannot get a job in the plantation yet or definitively, and the constant group of ex-workers kicked out from the plantation

for illness, age, personal conflicts and, very frequently, because of their ideological and political activism or simply because they complain of authoritarian abuse towards them. This process creates a belt of misery and stagnation around the plantation whose existence results in a constant fear for the worker of losing his job and falling down into that situation. Puerto Cortes, Golfito and Palmar tend to concentrate this marginal population although they spread over a lot of small villages around.

Another important factor derived from the regional situation of the plantation is distance and transportation from the urban centers in the central plateau and other centers of provinces. Settlements in the South Pacific region of Costa Rica remained practically isolated for a very long time, lacking every kind of means of communication. For long years the cabotage was the only means of communication. Afterward, a road was built through areas of the Pacific Coast from Cartago to Paso Canoas following the route Buenos Aires-Palmar Sur-Paso Canoas on the border with Panama.

The distance between San Jose, the capital, and Golfito in the banana plantation area is around 270 kilometers and 350 kilometers from other points away from the center. The distance, the high fare and the long time it takes to travel to the Pacific Coast area, produces the effect of a trap on the latecoming workers and their families. Usually they come alone to the zone, and leave

their families behind waiting for the opportunity to join them; very often the whole family moves along, and if it becomes hard to get a job, or the head of the family gets ill, they cannot turn back, and stay most of the time living in miserable conditions. Even when they get a job, usually they have to go into debt, and have to delay the departure for years, sometimes forever.

In the Pacific Coast plantation there were two periods, one of strong immigration, usually of single men, or men who left their families someplace else, the other one has been a long period of stabilization and reunion of families. A high number of workers live with their families, but still the phenomenon of single men and latecoming families is observable in the area.

The social diseconomies observable at the regional level find ultimate expression in a rather unique combination of resource underutilization, underconsumption and poverty among the majority of people in plantation society. Inherent in the plantation system is the tendency toward monopoly of land by plantation owners as a device to deprive the majority of people access to an independent livelihood and therefore to ensure labor supplies for the plantation. But the nature of plantation work is such that it cannot fully utilize all available labor all of the time; and independent use of labor by the plantation work force is prohibited by the land monopoly situation (P. Poverty, G. Beckford, p. 177). So we find in all

situations that resource misallocation is starkly expressed in the occurrence of gross underutilization of labor and land. At the same time the economic power of plantation owners and their need to exercise control over the labor supply create a situation which provides limited economic advance for the majority of people in the region. Among the social diseconomies we could mention the persistent and expanding unemployment, the relatively low levels of regional income, a most unequal distribution of what little income is produced, the gross underutilization of land, and the extreme underconsumption generally. Underconsumption is perhaps most acutely reflected in a widespread occurrence of protein malnutrition in the very presence of abundant agricultural resources.

Kit Sims Taylor suggests that underutilization of land is directly correlated with the underutilization of labor in plantation economy, with the view that underutilization of land is one means by which plantation owners as a class are able to maintain control over the supply of labor and are able to make labor available for plantation work at close to subsistence wages.⁵ For if workers had access to the means of independent subsistence, they would withdraw their services from plantations or make those services available only at a higher-than-subsistence level of wages.

The chronic unemployment and underemployment in the region outside, around the banana plantation, cannot be

explained as the result of rapid population growth, inappropriate technology, limited labor absorbtive capacity of industry resulting from the normally capital-intensive technology associated with manufacturing, low agricultural productivity in peasant agriculture, rural-urban population drift, and sometimes simply that people have nothing better to do with their time. We know that the system ensures that the supply of resources is structurally unadjusted to the demand for their use. Thus the supply of land is largely limited to the small planter class and the demand for the use of land (as distinct from the social function of ownership) is largely concentrated among the landless and peasant classes, but the demand for labor resides largely with the planter class which controls the land on which labor sevicees can be applied. So it follows that people remain unemployed because they have no access to land and other resources with which to apply their labor services.

Inherent in modern agricultural production is an ongoing process of endless technological sophistication and mechanization in the field works and ulterior processes, which bring up with them the displacement of human labor by mechanical and chemical devices.

The following arguments presented by the Company itself were designed to rationalize severe economic measures to raise the profits and to sacrifice Costa Rican participation in the business, shows clearly the necessary

connection between the corporation profits and growth, and the local material conditions of life. Profits are taken as the given condition for the whole business, and it is clear how the manipulation of the "factors" which determine this profit rate are the clue to understanding the general policies of the Company which affect plantation life.

"Rise of costs: banana production costs and shipping have risen constantly. For example, while the banana prices have gone down, the average rate of salaries paid by the Compania Banera in Costa Rica have grown substantially during the last ten years. The cost of building new ships has increased 90% during the last three years. The same kind of ship that cost \$3.5 million in 1968, today costs \$6.9 million. Combustible cost has grown substantially in the same period, adding \$7.5 million in new shipping costs during the last 18 months alone. The rates to fill banana ships grew 40% in 1970. Ship maintenance and repair has grown 41% since 1968 and ship insurance rates have increased to 35% during this period."

After this, they mention that the United Fruit Company doesn't have a monopoly of the banana market and that the participation of the company in the market has been going down since 1967. But the main idea is that "the banana from Costa Rica has to compete with the banana coming from many other countries. The cost of banana production is higher in Costa Rica than in other countries like Ecuador,

where the United Fruit Company does not plant any bananas. Ecuador, the major banana producer at low cost, is presently reducing its taxes on bananas to make it even more competitive in world commerce. A real economic fact is that the company now can buy bananas produced independently in other countries at a lower cost than it is possible to cultivate them in Costa Rica. Nevertheless, the Company is closely tied to Costa Rica economically, culturally, and traditionally. It has deep reasons for continuing its operations here as long as it can do it profitably."

The quotation demonstrates the close inter-relation between cost and profit.

Next they add the argument of the oversaturation of world banana markets, due to low prices because of an excessive supply to meet a decreasing or steady demand. The impossibility of the Company's manipulating this factor is remarked upon.

The millions of dollars spent in advertising and sales promotions are added as an indispensable factor to "create and maintain the banana as a popular food in all the world" and then hard to get away from it.

After mentioning the increasing contribution to the Costa Rican economy by a "highly efficient and productive use of a small percentage of the lands of the country", they turn back to the salaries and benefits for the workers.

Each one of these elements will be analyzed.

Now it is just important to point out how the Company's

economic approach confirms our hypothesis that connects the material conditions which shape life on the banana plantation with the economic goals and mechanisms of the corporation.

The Company ties the main goals, profit-making, to costs, in the sense that they determine the competitiveness and the prices that will establish the gross income and the net profits of the Company. Which one of these areas of costs are easier to manipulate? Even when we analyze the real weight of these claims, let us say that this depends on the power that countervail the action of the corporation. International markets, prices in the U.S., world banana production, transportation costs, and advertising are hard to manipulate because of the countervailing powers behind them. The element with the least weight seems to be the Costa Rican government and workers. The hint that the Company can buy bananas from independent producers at lower costs in other countries and to say that "unless the economic realities are recognized by all those to whom they correspond, Costa Rica is taking over the risk of being displaced by other competing countries and banana producers", makes obvious the menace and allows one to see that it is the powerless banana country which is the most easily manipulable "factor" to increase the profit and capitalization rate.

The size of the enterprise relative to the national host economy poses many important problems like this one we have mentioned of negotiating strength in government-

company dealings and transactions. Another is the problem of pricing of intra-company transactions, as occurs when Firestone takes rubber out of Liberia or United Fruit "exports" bananas from Central America. This is accompanied by the problems of the appropriate assessment of taxes payable to the government in the plantation economies. As important as the size of the enterprises is the assymetry of dependence reflected in the inordinate dependence of one country on a single company but not of any one company on a single country.⁶ The IMF Country Notes in the IMF International Financial Statistics indicate that the Fund regards the official banana export values of these countries as undervalued. The factors contributing to the growing operative importance of a metropolitan enterprise derive mainly from:

(a) The generally hospitable political environment in plantation societies.

(b) Certain inter-industry economies which these firms have managed to secure.

(c) Technological change creating scale economies which they are best placed to capitalize on.

(d) Generally volatile product markets which have continuously served to eliminate weak competitors.

I remit myself to Charles D. Kepner's "Banana Empire" for wide information about the process along which have intervened in the history of United Fruit the factors accounting for the ascendancy of that metropolitan enterprise

in production plantation and trade. The general pattern has been one of increasingly large concerns becoming more and more vertically integrated at first and diversifying into new activities later (Beckford, p. 129-130). Because the technological change was highly capital-intensive and involved considerable economies of scale, these large metropolitan concerns were able to eliminate weaker competitors in plantation production. The growth of metropolitan plantation enterprise is enhanced by rapid rates of technological change in plantation production and trade (Beckford, p. 139).

Let us now talk about the organization which makes it possible to hold together such a large and varied complex, spread over so much geographical space and achieve the profit-making and capital-accumulation goals of the enterprise.

"The experience of the United Fruit Company and the National Dairy Products Company emphasize once again the close connection between the nature of a firm or business and the organization of its overall administrative structure. If National Dairy is a good example of an evolving management structure, United Fruit Company provides a typical picture of a static one. From the first, even before the merger of 1899 created the modern company, this Boston-managed firm was primarily concerned with the product--bananas--and with achieving a completely integrated unit from plantation to consumer. In the first decades of the twentieth century the company did develop holdings in Cuban

sugar and Costa Rican cocoa, which could be easily fitted into its integrated, banana-oriented organization. As the major operations in the organization were quite distinct from each other, and, as successful growing and banana marketing depend on changing local conditions, the different functional units had from the beginning considerable local autonomy. The growing areas were divided into large geographical units, each with a staff of specialists, in turn, being subdivided into smaller regional units. The marketing of bananas, handled by the Fruit Dispatch division, was also done along regional lines through branch offices in the major rail and port centers in the United States and abroad. The growing and marketing as well as transportation departments were headed by vice presidents whose offices were in Boston headquarters.

Besides managing their own departments, these men, assisted by the heads of the staff departments, carried on top-level coordination of their activities with the president and his office. In what time they still had available, they formulated current company policy and future plans. Although the Company has long recognized the need for generalists in its top executive positions, it has done little to train such officers, nor has it made the necessary changes in the organizational structure to make such training possible. The only significant development in the Company organization since World War I has been the expansion of its coordinating and service departments.

The Board of Directors of the parent company makes all important long-term decisions relating to each subsidiary company and the group of companies as whole. But the day-to-day running of each subsidiary is left to its own Board of Directors.

Responsibility for the management of each operating company is placed fairly and squarely upon the shoulders of its own Board. But in fact these are not independent public companies. The members of the Group Parent Board have to remember that they alone are ultimately responsible to shareholders for the stewardship of their property and for the success or failure of the business. The Group Parent Board retains authority in certain vital matters: appointments, dismissals, and the involvement of directors of subsidiary companies; the sale or purchase of assets other than in the normal course of business; capital expenditure; borrowing powers; the object of the business; and the broad policy and ethics of the business.

The production activities of the United Fruit Company's banana plantations show a special pattern of organization; they are organized by "divisions" which range in size from 10,000 to 30,000 acres. Each division seems to correspond in size to the sugar plantations in Jamaica and Hawaii. Each division is divided into unit farms of from 500 to 1,000 acres, each of which is operated as a separate unit with its own operating facilities (for irrigation and disease control) and labor force. Transport and communication

systems connect each farm with the division headquarters, described by some as small cities because of the wide range of facilities provided for linking the various farms to each other as well as to the outside world.

The divisional superintendent is roughly the equivalent of the general manager of the sugar plantations. His responsibility is the day-to-day operation of the company plantation. And his authority and control over the livelihood and lives of people within the divisional boundary is more or less absolute.

Within the community itself, a need exists for an organizational structure in which clear lines of authority are established. If decisions which are transmitted are to be executed efficiently, internal authority and control are paramount. The company holds the general manager or divisional superintendent fully accountable for activities on a plantation or in a division so that within the community that individual has absolute authority. Because of his personal responsibility to the company, the general manager or divisional superintendent is unlikely to delegate too much authority and control to others in the community. But because he is neither omnipresent nor omnipotent he needs to delegate some responsibility to others. So the general has his field lieutenants--department heads--who in turn delegate some authority to field supervisors who move step-by-step with the workers in the campaign. The internal delegation of authority does not, however, carry

with it a responsibility of those delegated to the ultimate decision-makers. That responsibility resides purely with the general. Consequently the stage is set for an authority-structure which is exploitative--which generates harsh penalties on those who do not follow orders to the letter.

The pattern of plantation organization to date has been exploitative and authoritative. There is, however, a trend in more recent years for plantations to adjust toward less extreme forms of authority structure. The main factors contributing to this trend are the increasingly scientific basis of plantation production and the organization of plantation workers into unions.

At the management level, the staff of a modern company plantation at present is likely to be made up of agricultural scientists who have command over areas of knowledge which may be alien to that possessed by the general manager or division superintendent. This requires, therefore, that the division superintendent's authority be tempered by a good deal more consultation, if not benevolence, than traditionally has been the case.

Trade-union organizations of plantation workers over the last few decades and the concomitant increasing government involvement have reduced the degree to which plantation host environments are willing to tolerate traditional "exploitative authoritative" systems of management organization. In general, the monopoly position of plantations has been weakened by these trends and, in

some instances, by increasing non-plantation employment opportunities. Exploitation is normally associated with monopoly.

A characteristic of the Company plantation is the general self-sufficiency of the organization. The company provides not just a place of work but a place of living for those involved. We can say that this is a general pattern that now has suffered some changes, as we will see when we talk about the conditions of life. It runs dormitories, schools, hospitals, clinics, canteens, stores, clubs, and even churches. Consequently, the people who make up the plantation community have to depend on the company to an overwhelming degree for most of the basic amenities of life. Their housing is provided by the company, and their food and clothing are purchased out of the company wages they earn in the company store which imports these from elsewhere. Dependency on the company is normally extreme and this fashions the structure of social relationships within the plantation community and other communities of people. And even these links come within the orbit of the plantation's control. Communication with communities outside the plantation is provided by the company roads, in company vehicles, and with company telegraph and radio facilities. The plantation is a total economic and assuming within itself all social institution, with the company in complete control of the lives of people who live and work on it.

The company is an impersonal element. Within the plantation community it is personified by the general manager or division superintendent. The control and authority of the North American white general manager over a large work force of Costa Rican people of a different cultural background demand a social structure which consists of intermediaries who can straddle the gulf between the two cultures and facilitate effective communication. The tendency is for higher levels of plantation management personnel to be from a similar cultural background as the general manager; and for descending levels in the authority structure to be closer to that of the work force. The general manager's chief lieutenants are usually North American whites and the plantation personnel become national moving down the hierarchical scale. A general idea of the size and complexity of the organization of the Compania Bananera de Costa Rica is given in Figure 1, a diagram of the administration of the company on April 1, 1970. This scheme reveals the highly technological specialization and division of labor involved in the plantation activity.

I think that this wide panorama of the enterprise as a major factor in the plantation structure and process is sufficient to give some clues useful for relating and integrating the information gathered. For an exhaustive discussion of the international banana market, I remit to the bibliography.

At the turn of the century, the planting of bananas

was a somewhat haphazard operation. Where river bottom lands were available, reasonably accessible to the ocean and transportation, bananas were planted and harvested. In those days the principal farm functions were filling, clearing, planting, cleaning and pruning, and harvesting. By 1918, a number of important agricultural experiments had been made and soil examination work completed in the tropical countries in which the Company was cultivating bananas. These studies were compiled in comparative form and constituted at that time probably the most extensive soil analysis ever undertaken by a single company.⁷

By 1925, the Company's agricultural research program had developed means of determining the probable life of plantations in different locations, thus providing a basis for a more economical planting program. Methods had been devised for prolonging the lives of banana plantations in different soils.

For a very long time, Company engineers conducted experiments with swamp drainage, a task which called for river flood control. Permanent spillways and levees were built, holding rivers in check here, guiding flood waters there, in channels that spared the cultivated fields. Since rivers carry as high as 20% silt in suspension during flood seasons, the waters that poured over the spillways in the rainy season were deliberately swung back and forth over valley land, and the silt gradually settled year after year, in depths ranging from six inches to ten feet, over swamps

that were later drained and planted.

Meanwhile, the fight against plant pestilence was being conducted with ever-increasing technological skill. In 1936, the so-called Sigatoka leaf spot disease made its appearance in several of the tropical divisions. Methods of spraying and dusting similar to those usefully employed in combating the disease in other crops were successfully instituted. The same year, the Company perfected a method of applying water to its cultivations by means of an overhead irrigation system in areas having insufficient rainfall.

As advances in research, cultivation methods, disease control, and irrigation were made, these techniques were passed along to local planters.

The abandonment of lands for banana production due to infection of Panama disease has been a problem since the discovery of the disease in Panama about 1903. In 1940, the Company's Research Laboratory in New York proved by tests that the disease could be controlled by flooding the infected areas. Laboratory results were translocated to the field in 1941 on an experimental basis.

Early and casual techniques of land use have been replaced by modern methods of soil management. Notable advances have been made in the field of labor, especially the measurements to secure an ample and stable supply of local labor.

A lot of work is required to get well drained lands

like the construction of levees and the installation of drainage ditches within such areas so that powerful pumps can control the water level or divert a part of the flow of a silt-laden tropical river in such a manner that it will deposit its silt in low-lying areas which can be planted when sufficient silt has accumulated. This work means labor hours to be earned by the worker, and has a special significance in his income and, indeed, in his opportunities in life.⁸

The Company's research activities are not confined strictly to tropical agriculture, but also embrace the mechanical field. For example, experiments are currently being conducted with respect to different types of local transportation involving ballasted roads and numerous types of carts to transport bananas from the farms to the railroads. Likewise, progress has been made on the installation and testing of aerial tramways within farm areas to replace more expensive railway branches. As we can read in the Annual Report of 1951, "All this work is designed to improve efficiency and to reduce costs through the conservation of manpower and materials, and the better use of soils and other natural resources."

To give some examples of technological changes that have had economical and social consequences on the workers, let us mention that the former method of transportation of bunches was by mule. The new variety of banana would not stand that treatment and it had to be changed to

mechanical equipment, a kind of oxcart pulled by small tractors. Electric ferry cables cross the divisions. Monorails operated by hand allow a man to take off ten bunches in one trip.

Another case is that in order to save the fruit from the strong winds and to prevent the weight of the bunch from bending down the plant, it was necessary to prop them up using rigid holders like metal pipes or ropes.

All these constant changes generate social tensions during long transitional periods and create a constant insecurity and anxiety on the labor side.

To illustrate the connection between technical practices and social consequences, let us mention the case of a recent change in the number of plants per hectare. The increase in the number of plants meant a technical practice from the utilization of land point of view, but for the workers, it meant an increase of work per unit of payment. So, the salary paid by hectare remained the same while the amount of human effort increased; this created an inconformity that generated a favorable climate for rebellion and led to a general strike, among other factors.

During an official investigation issued by the National Congress of Costa Rica on conflicts between the unions and the Company in January 1971, an executive Officer of the United Fruit Company declared:

"You have read or have news that the Company was to plant some farms and cancelled those programs in farms 57

and 62; at the same time the installation of an irrigation pipe line on the field for the summer season. The system of tire tractors was changed for an air one...The spraying system of the fruit was changed for a pressure bomb to combat a pestilence called Johnson Spot. The system of an individual spurt was changed for an apparatus which spread five spurts at the same time, in such a way that a single man does the work that required five men before. Longer cycles (weeding and cleaning of one sector) for the Sigatoka disease control are done; the type of packing plant is being changed to another type more functional, that required fewer people. All the sanitary service inspectors were cancelled."9

NOTES

Chapter IV

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CHAPTER V

ANALYSIS OF THE DATA

We propose here a wide scheme of the structural elements of the banana plantation system, simplified in order to make possible the separate description of structures that are, in reality, united. Often our description of an element will be in terms of the process within which it plays a role. Afterwards, we will hopefully be able to synthesize all this information into a systematic view of the banana plantation society.

The most relevant elements intervening in the system can be internal or external, depending upon the spatial and functional distance to the plantation. The internal are: (a) the local bureaucratic structure and high level staff of the Compania Bananera de Costa Rica, (b) the salaried workers who do not serve as bureaucrats. This division between staff and workers is based on the fundamental difference of orientation, opposition and conflict of interests, life styles, privileges and advantages, that lead people from both groups to identify themselves as different entities, confronting each other in a conflicting relationship. The external elements are: (a) the central headquarters of United Fruit Company in Boston and New York and

the stockholders and groups attached to them, (b) the national government of Costa Rica and official institutions, (c) the interest groups like merchants, salesmen, professionals, politicians, friends and relatives in other parts of the country, (d) the rest of the agricultural system responsible for the migration of workers to the plantation, (e) the mass media--radio, television and newspapers--, and (f) the civil population existing around the banana plantation.

The Nature of the Enterprise

Metropolitan enterprises first get involved in plantation production either because they want to gain control over raw material supplies, in order to control or influence input prices for metropolitan processing, or because market restrictions on further expansion of processed output limit involvement opportunities at the processing level. In either event, the enterprise is induced to engage in this activity by the prospect of greater profits in the long run and/or less variability of profits in the short run. Once the enterprise embarks on plantation production, a chain of events follows, leading to further expansion.

Plantation investment normally involves the creation of a social infrastructure and this creates external economies which make other activities profitable. The external economies deriving from plantation investment serve to reduce the marginal cost of setting up these activities. Inter-industry linkages come into play and stimulate further enterprise expansion further into related

fields in order to secure inter-industry economies. The inter-industry linkages become reinforced as the enterprise enters the field of heavy industry involving engineering skills, and further expansion becomes necessary to maximize returns from these skills which it now possesses. Because engineering and other such skills are not product-specific, the firm is in a position to expand further, this time into non-plantation-related areas, and so is able to secure economies of diversification. Increasing capital-intensive technology reinforces the advantage of the integrated firm already producing the capital goods for plantation operations and makes weaker plantation companies prey to it. Certain fixed capital assets are not product-specific and once these have been installed the enterprise can expand into new lines and secure fixed capital economies resulting in further diversification away from pure or allied plantation types of activities. (Beckford)

The dynamics of expansion of metropolitan plantation enterprise derive from two main considerations. One is the need for increasing and maintaining market shares in increasingly differentiated product markets. The other derives from inherent cumulative economies that begin to arise once the enterprise starts plantation production.

This is the case of the United Fruit Company, a North American concern "incorporated under the laws of New Jersey, March 30, 1899, to produce, transport and distribute tropical fruit from the West Indies to the United

States." Since its incorporation the company has grown into a mammoth enterprise which cultivates bananas, sugar cacao, and abaca (manila hemp) on a commercial scale in eight Middle American countries and in Columbia, Ecuador, and Africa.¹

The United Fruit Company monopolized practically all production of and trade in bananas in Central America and Colombia.²

The large size of the United Fruit Company can be appreciated by comparing its annual sales and profits with relevant national aggregates of associated plantation economies. As Table 7 shows, United Fruit Company comes close to being on a par with Panama and Honduras in terms of annual value of economic activity. Costa Rica has about the same level of national income as Panama. To get an idea of the size of the Company revenues, let us compare the national income of the central governments of Costa Rica, Panama, and Honduras in 1955, which were \$45 million, \$44 million, and \$30 million respectively, with the balance of the Company of \$330 million in gross income, \$58 million of profits before payment of taxes, \$33 million net profit, and \$26 million in annual payments of dividends.

The available data for the United Fruit Company are summarized in Table 8 which gives investments in fixed assets and the book value of these (net of accumulated depreciation) for 1967, in thousands of U.S. dollars.³

TABLE 7

UNITED FRUIT COMPANY ACTIVITY AND NATIONAL
AGGREGATES FOR PANAMA AND HONDURAS
1967-68 (MILLIONS OF DOLLARS)

	Annual Sales	Net Income	National Income	Total Exports	Plantation Exports
United Fruit	488.9	53.1			
Panama			634.0	95.2	55.6
Honduras			649.0	181.4	85.4

TABLE 8

UNITED FRUIT COMPANY INVESTMENTS
IN FIXED ASSETS FOR 1967

	Fixed Investment	Net Book Value
Lands	10,722	6,484
Houses and Buildings	61,927	26,355
Cultivations	63,005	29,755
Equipment	96,651	42,878
Railways, tramways, and rolling stock	38,174	9,583
Wharves, boats, etc.	7,222	4,186
Sugar mills & refineries	18,631	8,539
Steamships	<u>116,646</u>	<u>58,289</u>
TOTAL	412,978	186,069

Lands and cultivations are assets directly related to plantation activity. So are a part of houses and buildings and a part of equipment; the resulting plantation share of

the Company's total investment would be over one third. Plazo and May gave in 1958 for 1955 a total asset over the figure of \$390 million; the fixed asset after deductions for depreciation reached more than \$230 million. The original cost of fixed assets at the end of 1955 seems to be \$454 million, almost \$334 million of them represented investments in the tropics, \$99 million in ships, and around \$21 million in equipment installed in the U.S.A., England, and Continental Europe. Almost three-fourths of the active assets were invested in tropical operations.

Steamships alone account for some 28% of total investment, and if we include the associated figures for Wharves, Railways, etc., the share of transporting plantation produce to metropolitan markets rises to almost 40%, which is more than that invested in direct plantation activity. This means that insofar as the company relies on its own plantation production to provide cargoes for its transportation network, production on the land must be geared to fully utilize this capacity for the investment to pay off.

One of the most recent works on the economic aspects of this enterprise was issued in 1960 by Richard Allen La Barge. His information and some points of his analysis will be useful in gaining some precise idea about the economic nature of this enterprise.

One of the most delicate and hard to answer questions is whether the foreign enterprise has just an economical function--to produce in the most profitable way for the

owners or stockholders--or if it has also a social function--development of virgin forests, transferences to the national economy (wages, purchases, etc.) and welfare, etc. Some arguments presented here have the purpose of demonstrating that the United Fruit Company, as a capitalist enterprise, requires a high level of investment, a continuously developing technology and a constant manipulation of costs to be able to offer the best prices and qualities in the international market, and to obtain the highest rates of profit for the stockholders in the metropolitan economy.

In 1900 the United Fruit Company capital stock outstanding amounted to \$11,230,000; by 1930 its capital stock and surplus had risen to \$205,942,581. In the latter year, its total assets were valued at \$242,398,163. Its stockholders have profited beyond expectations. Owing to the payment of stock dividends and a split-up, the holder of one share of \$100 par value stock in 1900 now has seven and a half shares of stock at no par value, and has received income averaging approximately 17% annually on his original investment.⁴

In 1955 the Company's capital was distributed in 9 million shares without nominal value, of which 8,775,000 had been omitted and 225,000 are kept in treasury. The net value of these shares at the end of 1955 was a little more than \$350 million.

The stock was valued in 1955 at \$40 per share. Its value in the market, according to the New York Stock Exchange, etc.

fluctuated between \$42 and \$74 per share from the beginning of 1946 until the end of 1955, with a price average of \$54.50 per share during that period of ten years, against \$34 average as book's value. During the total period, the Stock Exchange valued the United Fruit Company shares at 60% more than its book's value. The average profit, after the taxes, was \$5.38 per share during that period. In 1955, the net profit of the Company was \$33.5 million.

The proportion of income and profits, before the payment of taxes, in the different sectors of the consolidated business of the Company in the 16 years between 1940 and 1955 are:

	<u>Banana</u>	<u>Azucar</u>	<u>Trafico maritimo</u>	<u>Total</u>
Gross income	60.3%	17.4%	12.7%	100%
Profits before taxes	82.1%	7.3%	5.3%	100%

During that period of 16 years, the Company's income coming out of banana sales was only 60% of the gross income, but the accounting shows 82% of profits before the payment of taxes. It is clear that banana production is what has caused the highest profit to the Company.

In 1955, the 8,775,000 shares of the Company were held by 72,860 stockholders. The 141 highest accountings were stockholders with 5,000 shares or more. The stockholders of that groupd held as a whole 2,424,141 shares, about one-fourth of the total, with 17,190 shares average for each one of them. In 1954, 1955, and 1956, a dividend of \$3 per

share was paid, income for each one of those 141 big stockholders was an average of \$51,570.

There were 72,092 stockholders with fewer than 1,000 shares each. The total amount of shares of this group was 59% of the total. As an average, every one had 71 shares that produced an annual income of \$213. There were 627 stockholders who held between 1,000 and 4,999 shares. The average of shares belonging to each one in this group was 1,933 shares, and the average annual dividend was \$5,799 per person.

With this information we are trying to point out that the Company is not a philanthropic organization; it is not in the tropics for its health, but to make dividends for its stockholders. "Those who own United Fruit Company stock which they purchased cheaply and on which they realize a good profit, and have made an average of 17% yearly on their original investment hope to continue on ad infinitum and are not likely to curtail their profits voluntarily to any great extent for the sake of Central American welfare."

It is possible to draw a clear idea of how much the local welfare of the Central American partner in the business is haggled by the American partner by a comparison between the payments to the government of Costa Rica in 1970, that were about \$3,087,258 and the net income of the Company for that year, \$53,100,000.

The connection between the nature and structure of the

United Fruit Company as a capitalist profit-making corporation, and the social and economic structure of the banana plantation in Costa Rica will be important to understanding some of the most relevant mechanisms operating within the plantation dynamics.

The whole frame of social and cultural life in the banana plantation is shaped by the economic conditions. The economic conditions are given under the form of personal or familiar income for the worker (wages, overwork, special contracts, etc.) and domestic collective services (health, education, holidays, etc.) and under the form of expenditure. The Company interests will determine its labor policies and being the workers income and services a cost for the business, the interests of the Company and those of the workers will oppose each other.

In the Annual Report of the Company of December 31, 1949, Lamuel Lemurray, the President, wrote: "The Company has made contracts with Honduras and Costa Rica amending previous operating agreements so as to adjust them to changes which have taken place in world conditions since the agreements were originally signed...it should be borne in mind that the recent trend of social legislation in many countries has added a burden which is reflected in higher costs." This "higher cost" is a real challenge against the central principle of profit-making for an enterprise and shows how the political and legal structures become contradictory or subordinate to the enterprise interests.

The so-called domestic commodity output like educational, sanitary, and anti-malarial services, is borne directly and entirely by the Company as an external cost of plantation operations. Other cases like hospitalization services and basic commissary foodstuffs are considered as a subsidy to wages or a transfer of payment.

The Company views domestic services as an intermediate product, for the results therefrom are to be used later as improved inputs of labor for producing the final exportable product. "There was no philanthropy in the fact that it was necessary to build up a medical sanitary service that cost thousands of dollars annually. It was simply good business... We early learned that laborers must be kept in good health if our plantations were to be systematically worked."⁶

In order to understand fairly the opposition of interests between the Company owners and managers on one side, and the banana workers and Costa Rican citizens on the other, let us analyze the booklet published by the Company last year: "Hechos acerca del negocio del banano en Costa Rica". (Facts about the banana business in Costa Rica.) That paper is devoted to presenting a logical statement to prove the convenience of renouncing the rights and economic advantages of Costa Rican government and workers on the Company for the sake of the salvation of the banana business.

They say that the banana business presently confronts many problems:

- (1) The banana consumption has leveled off.

(2) The producers in many countries are increasing their supplies and inundating the markets.

(3) The cost of production is growing severely.

(4) Prices are going down.

"Every country which is producing bananas must understand these conditions - they say - there will be little profit or utilities for everybody unless the economic facts of the banana business are completely understood. Practical measures must be taken to confront the problems."

They say that to keep the exploitation going on certain conditions are necessary:

(1) To make re-investments of capital to maintain modern agricultural operations.

(2) To employ strong amounts of money in research and development to improve the cultivation and harvest of the farms and to prevent diseases of the plants.

(3) To make control investments in refrigerator ships.

(4) The costs and Costa Rican taxes must be competitive and a healthy atmosphere with the government and workers must foster the capital investment in the banana industry.

The first three "measures" seem to be the confirmation of a policy of re-investment in assets and technology, very important for high staff management to perpetuate the business and their positions. The last "measure" is a polite threat to the workers and Costa Rican government to keep "costs", it is the worker's means of living and taxes, it is the nation's source of development "competitive". This

term "competitive" is widely understood forward in the booklet.

In the analysis of its own economic situation the Company connects profits as a dependent variable determined by costs, competition, demand and supply, and prices for the consumer.

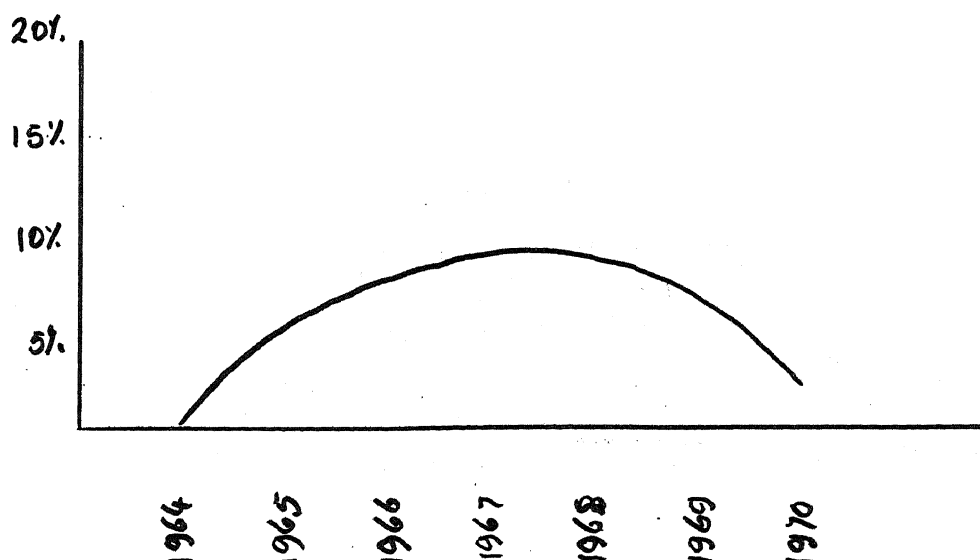
Let us transcribe literally what the Company says:

"Profit: Once reasonable profits from the banana business were gotten. But not today. For many years the United Fruit Company has perceived a lower utility after the investment taxes -- much lower than the foreign U.S. investments in metal and mining, consumption commodities and other alimentary products. During the last 10 years the highest utility perceived by the Company was 10%; the lowest was 1%. The average during this period, one of the most prosperous in the history of the Company, was only 6.9%. This tendency has been kept down since 1967, getting more acute in 1970, and in 1971 to date."

FIGURE 1

UNITED FRUIT COMPANY UTILITIES 1964-69

Net Profit



The Workers at the Banana Plantation

Perhaps the most remarkable feature in the banana plantation is the mass of workers. This group is the most numerous, homogeneous and the most relevant from a social point of view.

It was decided to include here all those aspects directly related to the mass of workers as a socially identifiable group.

The single description of them in terms of their demographic, cultural, social, and economic characteristics would become irrelevant to locate the role of the whole group into the plantation's social and economic system. We prefer to choose just those characteristics of the group relevant in terms of our model, presenting them only when they contribute to a better understanding of the whole social mechanism of the plantation or its ongoing processes.

Even when labor presents numerous variations, size is a permanent characteristic. The laborer's group is relatively and absolutely larger than any other group on the plantation.

It had been given already an estimation of the Pacific zone banana plantation number of workers as 8,000, and estimating the number of persons dependent on the workers, at 5 per worker, we established a number of 40,000 dependents. So, there are approximately 48,000 people involved in the situation or depending on it.

Most of the characteristics to be studied here are the

result of a field study of 256 families of workers held in 1971 in the banana plantation of the Pacific Zone. The study included a sample of workers and their families living on the banana plantation and a sample of families from the so-called "civilian population", who are the people living in towns around the banana plantation or close to it.

The figures used here are just a gross indicator and will be taken jointly with some other sources of information.

Social and Economic Situation of the Workers

The workers' income

Gross income

The average income for a worker ranges between 250 and 300 fortnightly. The amount of income depends on the work done in an 8-hour working-day, paid 19.25 for the whole time, and the overwork ("fajina") assigned by contract. (The dollar is worth 8.00.)

This overwork is assigned according to several factors: (a) technical need for agricultural work on the side of the Company, (b) personal and optional decision of the "mandador", foreman and timekeeper to assign to a worker the overwork job and to designate the person to do it, (c) the worker's physical resistance and health to take on this job, (d) attitude of submission and unconditional fidelity to the norms and interests of the Company or immediate superior authorities, especially in reference to union activities. In most of the cases the gross income of the worker is uncertain and varying,

depending on the type of work. For instance the work of boxing depends on the amount of the fruit cutting, as much as the technical and economic decisions adopted by the Company.

There is a small group of workers called "chamberos" which means job-seekers or favorites, favored by the superior authorities. They get better salaries with less effort and enjoy additional privileges. The rest of the workers are harmed because, as will be explained, the financing of the additional benefits for the "chamberos" comes from salary restrictions of the rest.

On the other hand, as was mentioned when we talked about the technological change and its social consequences, along the last years the Company has mechanized some aspects of banana production (simultaneous irrigation and fertilization, air fumigation, etc.) and the demand for labor diminished, making it hard for the worker and increasing maximum gross income.

Available overwork is utilized as an incentive to the workers who are useful as informers and collaborators in the control that the Company has on the unionist movement or complaints for the abuse and unequal treatment.

Some workers told that the contract system allows the speculation from the side of "mandadores", foremen and time-keepers with the money assigned by the Company to pay for overwork jobs. This speculation is done in several ways; for example, the payment for work never done, the product of

which is distributed between the "chambero" and the "mandador"; payment to workers inferior to the sum they really earned and inferior to the amount established by the Company in the respective farm budgeting for a particular amount of work; this way superavits and economies are gotten in the farm expenditure and the Company rewards and banifies to the "mandador". For this reason the "mandador" used to keep the workers from individual or collective complaints.

Some cases of remarkably high salaries were found and investigated; the result was that these cases are not really an individual salary but contracts to take care of a parcel (where an exhausting work is done by all members of the worker's family, including women and children).

Some work is harder than other or less remunerative, so that they are used as means for persecution and extortion, being assigned as punishment to workers who refuse to sign documents against the union, are members of the union, or simply present complaints.

The gross income of the worker depends on factors he cannot control because of his economic and social weakness against the overwhelming power of the staff.

Net income

Having overcome the obstacles that determined the gross income, this is affected by several deductions which decrease even more its amount.

Deductions to the gross income

A. Worker's Bank

In Costa Rica there is a bank whose goal is to solve the financial problem of economic unsolvency of the national worker. By law all the workers are obligated to contribute with a part of their salaries to personal savings accounts, from which they are supposed to get loans. At the time of our study, there did not exist an agency of that bank in the Pacific banana zone. The worker cannot abandon his work and go to the capital to recuperate his savings or to get a loan, because the smallness of his savings and possible loan would be lower than the expenditure of traveling and staying in the capital. Sometimes more than what is established by law is deducted, but they do not have the means to complain.

B. Income taxes

Usually this is not a very important amount, but in numerous cases the deduction is not according to the law and does not have any relation to the size of the family and the worker's income. In a case, in a family with five children, 96 was deducted for concept of income tax, reducing the salary that fortnight to 37 which led the family to severe deprivation and debts. In many cases because of ignorance or omission, workers do not precisely declare their incomes, marital status or condition of persons dependent on them economically as in the cases of free-

associated couples, and the calculation of taxes harms the familiar income.

C. Hospitalization and health services

Two percent of the salary of the worker is deducted for medical care. When the monthly salary is below 600, the worker does not have to pay for medical attention and it is covered by the 2% deduction. In some cases workers with a salary of 601 were obligated to pay for it and suspect that one "colon" more in their salary was included on purpose. In all the cases studied, workers coincided in that medical care is insufficient, inefficient, and expensive, to such an extent that they prefer to use the state medical facilities and private doctors in civilian towns outside the plantation or even to travel to the capital, taking an expensive train travel to the city.

The cost of childbirth care in the Company hospital ranges from 800 to 1000; if this is deducted in two consecutive payments, the fortnight salary is almost zero.

Contributions for the cooperative

A savings and loan cooperative operates on the plantation with the goal of solving the financial problems of the workers and the bettering of their level of life. The workers say that the recruiting and inscription system is a compulsive one because the staff members put pressure on them to get into the cooperative.

According to the information coming from functionaries

of the FEDECOOP SUR, the average savings of a worker is 50 per month, never over 300, with an average loan of 300 to pay debts, medical expenditures, vacation travel to visit family, purchasing of electric artifacts. A "mandador" usually saves up to 1000 with an average loan of thousands of colones.

This analysis of the gross income of the workers shows some of the main elements and factors intervening to determine the figure that appears on the face of the check that is received by the worker fortnightly. Because of the lack of any other source of income, that amount will be the frame of possibilities and opportunities of life for the worker and his family.

Besides these relatively fixed or obligatory factors determining the gross income of the worker, there are some other important considerations that must be taken into account to draw an accurate picture of the determination of the worker's opportunities of life into the plantation system.

Educational level of the workers

In order to understand the degree of dependence and helplessness shown by the workers, their educational level must be regarded.

This aspect can be illustrated by means of Table 9 which presents the educational background of workers in the sample.

TABLE 9
HEADS OF FAMILY ACCORDING TO EDUCATION

	Absolute	Percentage
No education	40	30.30%
1st grade to 3rd	47	35.60%
4th grade to 6th	40	30.30%
Incomplete high school	5	3.78%
Complete high school	0	0.00%
TOTAL	132	99.98%

If we classify as literate those workers with 4th, 5th, or 6th grade and incomplete high school, similliterate those with one or two years of grade school, and illiterate those lacking any education, the literacy of the workers goes this way:

Literate	33.78%
Similliterate	35.60%
Illiterate	30.30%

This shows that hardly the 33.78% of the workers get the minimum elementary education, while the 65.90% are practically illiterate. This circumstance puts the worker in a disadvantageous situation in a highly technical structure as the United Fruit Company banana plantation.

The low level of education produces an absolute dependence of the worker on the staff decision affecting his gross income.

Available income

By available income we mean the amount of money that the worker keeps after paying debts and obligations, which is the money at his disposal to attend to the primary needs of survival.

Here the feeding problem and the process of acquiring debts become relevant.

The problem can be perceived by some combined indicators:

(1) Average fortnightly net income earned by the head of the family.

(2) Average number of family members.

(3) Average fortnightly income for each member of a standard family.

(4) Average fortnightly expenditure in food for a standard family.

(5) Average fortnightly expenditure for each family member.

According to the data gathered, the sample of families of Coto farm shows the distribution of the head of family's average income presented in Table 10. It is observed that 71.3% of the incomes studied vary between 200 and 400 fortnightly. The average income for each head of family in the sample was 292.16.

Table 11 shows the distribution of the head of family's average income for Palmar farm. Here we have 76% of the

TABLE 11 - Continued

Average fortnightly income	Heads of family percentage
301 to 350 colones	5.0 percent
351 to 400 "	---
401 to 450 "	3.0 "
451 to 500 "	---

In Table 12, which concerns the whole plantation, we see that 80.07% of the incomes studied varied between 200 colones and 400 colones fortnightly. The average income for each head of family in the sample is 252.22 colones fortnightly.

TABLE 12

DISTRIBUTION OF THE AVERAGE INCOME OF THE HEADS
OF FAMILY FOR THE WHOLE PLANTATION

Average fortnightly income	Heads of family # %	
1 to 100 colones	1	0.9 percent
101 to 150 "	0	---
151 to 200 "	1	0.9 "
201 to 250 "	16	14.54 "
251 to 300 "	35	31.81 "
300 to 400 "	36	32.72 "
400 to 500 "	13	11.81 "
500 to 600 "	7	6.36 "
600 to 700 "	1	0.9 "

The average number of members estimated per family was 6.26 for Coto Farm and 7.91 in Palmar Farm. These estimations allow us to determine the average fortnightly income per family. This is shown in Table 13.

TABLE 13

AVERAGE FORTNIGHTLY INDIVIDUAL INCOME

Place	Average individual income per two weeks	Average individual income per day
Coto	47.78 colones	3.02 colones
Palmar	37.40 colones	2.49 colones

Food expenditures

In the majority of cases, a high percentage of the net income is devoted to board, and sometimes the family expends more than the net income, a situation that provokes a permanent and progressive debt with the commissaries to the point that many families have to use the oversalary of Christmas to pay part of these debts.

The nutrition of the worker consists of rice, beans, and bananas; rarely and scarcely sometimes they consume animal food like milk, eggs, meat, etc. and fruit, legumes and vegetables.

The caloric value of this diet is lower than what is recommended. The prime problem in the banana workers' nutrition is the protein content of their diet, which only reaches 50% of what is recommended for each person per day. This diet is incapable of satisfying the need of other nutritive

sources.

The inadequacy and insufficiency of this diet in the banana plantation becomes dramatic in the case of children. Their problem is more acute because their consumption is very inferior to that of adults not only because of the low caloric content, but also because of its scarce biological value.

According to the table, the personal expenditure in food per day is 1.81 colones. If we compare the average income and the board expenditure, we find that each person has available for all other needs such as clothes, shoes, furniture, transportation, medicine, recreation, etc.:

For Coto Farms	9.75 colones per day
For Palmar Farms	8.46 colones per day

It is obvious that these sums do not meet the rest of expenditure for the family unity. To do it, they have to use credit to get part of the food which entails a process of progressive debt.

Age groups and familiar size

All the averages mentioned in the table must be carefully pondered to avoid a false image of reality. It must be analyzed specially in reference to the size of the familiar group and the distribution of population for groups of age.

The phenomenon of numerous families must be analyzed because it is a decisive factor in the determination of the

familiar level of life and comes to make worse the difficult situation stated by the cost of board and the insufficiency of salaries. For the whole sample we get the figures set out in Table 14.

TABLE 14
AGE GROUPS AND FAMILIAR SIZE

Size of family	Number of families	Percentage
1-3 members	11	4 percent
4-7 members	38	38 percent
8-10 members	30	29 percent
11-22 members	22	22 percent

It must be observed that 51% of the families fall into the category of 8 or more members, which indicates the existence of numerous cases whose situation is affected by the family size.

Another important aspect to take into consideration is the distribution of ages of the banana farms population.

From the 481 persons who belong to the families studied, we got the figures shown in Table 15.

There is a high percentage of children below 6 years old, 20%, and children below 12 years, 33%, a situation that means a difficult economical burden for the heads of the family.

There are two main factors that influence and determine the obtaining of food by the banana worker and his family; they are the price of the commodities and the avail-

TABLE 15
DISTRIBUTION OF AGE IN THE BANANA PLANTATION

Age	Number of persons	Percentage
0-1 year	40	8 percent
1-6 years	57	12 percent
6-12 years	61	13 percent
12-35 years	244	51 percent
35-50 years	68	14 percent
50-60 years	9	2 percent
60-80 years	2	---

ability of food in the local area.

Prices

The price of commodities in the banana zone must be considered from several points of view.

(1) High costs coming from transportation expenditures to the farm or from the farms to the civilian centers, because the workers cannot afford to leave the farm every day to purchase groceries in places where they could buy them at lower prices.

(2) Uncontrolled speculation of ambulant sellers and the stores functioning within the plantation. In one of the Palmar farms, it was observed how an ambulant increased the prices 0.50 in a few minutes.

(3) Credit is practically the only means for the workers to get what they need, because other stores in the

civilian centers usually make their transactions into cash.

Stores and ambulant sellers sell on credit but charge prices to cover the risk of losses. When the debts are very high, the stores send these bills to the Company who deducts them from the salary. This way, sometimes the worker's family confronts a hard situation without credit to get food and without money to pay cash.

Availability of food

Banana workers' families rely exclusively on the local commerce supply because, unlike the independent peasants, the workers are forbidden to plant their own orchards or gardens or to raise domestic fowls.

Every attempt to create a cooperative of consumers has failed usually because of the intervention of local commerce interests. The ambulant sellers service is very irregular and things like meat and vegetables are available only twice a week in very limited quantities. In the stores was observed a lack of perishable food like legumes, meat and vegetables which are costly to conserve. Sometimes the problem of availability of food is grave, as was the case when the distribution of powdered milk used to nurse babies stopped, and was rationed, started a speculation with the prices.

For further detailed information the booklet "Results of a Nutritional Survey of Banana Workers of Compania Bananera de Costa Rica, February 1971" which was part of our study and contains all the necessary information about the

nutrition problem can be seen. The conclusions have been inserted here, but the text would be too long to be included. We remit also to the "Analysis of the System of Supply and Commercialization of Consumable Commodities in the Banana Farms of the Southern Zone of Costa Rica", which contains an exhaustive analysis of these problems.

Work conditions

All these problems related to the nutrition of the worker and his family combine with some other circumstances.

(1) Because of the geographical and biological characteristics of the area, climactic conditions are very rigorous.

(2) Exhausting working days that start at 4:30 or 5:00 in the morning and last until two in the afternoon, with an hour to eat lunch, to start the overwork at 2:00 p.m. until 5:30 or 6:00 p.m., working sometimes until 12 hours.

It is evident that those workers who get overwork contracts are obligated to realize an excessive physical effort to earn the additional salary. Those workers who cannot get overtime work assignments, have to confront such a hard economic situation and offer their services to work for other workers who obtained contracts; they are usually paid far below the minimum wages.

Rigorous climactic conditions, exhausting working days and insufficient diet destroy slowly the organism of

the worker and doom him to early physical incapability or premature death. This is confirmed by the fact that the worker population concentrates in groups of age of maximum physical vigour and utmost production, and the worker who has been dismissed or has retired and lives in the civilian towns, is older than 40 and presents severe physical and mental exhaustion.

Age of the workers

The Company takes only workers who are in their most productive years and systematically eliminates men over the age of 40. There is no system of pension and social security.

TABLE 16

DISTRIBUTION OF THE SAMPLE OF WORKERS BY AGE GROUP

Age of the worker	Number	Percentage
14-21 years	4	1.6 percent
21-31 years	79	30.9 percent
31-41 years	94	36.7 percent
41-51 years	50	19.5 percent
51-61 years	20	7.8 percent
61 and older	9	3.5 percent

It is observable from Table 16 that 67.6% of the workers are between 21 and 40 years old. Only 3.5% are older than 45 years.

The average age of the workers included in the sample is 34 years. This indicates that there is a process of at-

traction of young labor, and early expulsion of men older than 40. Dismissal or discharge is not a simple result of wrong behavior, inefficiency or union membership, but it is a part of the whole mechanism of the banana plantation system.

Discharge process

The discharge of a worker can occur as a result of (a) situations derived from the normal course of the activity, (b) abnormal situations involving interpersonal relationships and (c) the age of the worker.

The criteria employed to discharge a worker are his behavior and his level of productivity. Both of the considerations can be manipulated subjectively creating a method of selection to eliminate not only the troublesome workers in matters of personal behavior or productivity, but also to some others who must be eliminated for other reasons.

During our research on the farms, we found some cases of workers alarmed because on their payment cards appeared recorded work they had not realized. When we asked at some other levels, they said that those cases to the fact that the timekeeper or the foreman when they assigned the points of work to the team, they kept some small amounts that afterward they assign to the best workers in recognition of their efficiency or to those workers most economically in trouble. Some workers think that the foremen do it because their solidarity with the workers, taking part of the work realized by

some efficient workers to whom they assign less and then distributing it among the other workers. The reasons to explain this behavior are that the foremen consider their own wages insufficient and unproportionate to their responsibility and risks. Those foremen try to keep in good relationship with those workers who do not get overtime work contracts or cannot get the minimum wages for administrative reasons out of the control of the worker, for instance, when they are sent to put plastic bags on the benches and the material is not ready. Other reasons are fear of a violent attack because the worker considers his salary unjust. Because the foreman is in debt and aduces high cost of life or because he considers that in certain cases high efficiency produces savings, realizing work in less time than it was foreseen, they consider that those surplus amounts do not have to be returned to the Company and they think it is legitimate to assign them to a "chambero" and to share the benefits.

When these cases of irregular assignation repeat constantly, especially in the case of highly efficient workers, they complain. Before the menace of being denounced, the thieves adopt a policy of intimidation and harsh treatment, assigning them bad contracts, heavy work, etc. to provoke them to leave or to get them discharged on charges of presumed rebellious behavior.

Another type of discharge process is that one when reasons of inefficiency are attributed to a worker. Generally, workers are classified according to their produc-

tivity as (a) good workers, who are those generally young, experienced in banana agriculture or coffee agriculture, more educated, and with an enterprising attitude and high discipline, and (b) bad workers, those whose productivity is low, usually older, unhealthy, without experience in agriculture and with a defeatist attitude toward work and life. It is the Company's right to eliminate unproductive personnel according to legitimate laws of the economic process; the problem is in some cases a different one. According to the social security laws, after three months, if a worker is discharged, he is entitled to be paid a sum of money if it is not his fault. The Company used to engage workers for fewer than three months and then to engage them again, avoiding the legal obligations. If it is true that in such cases the enterprise is not to subsidize a worker who does not reach the expected level of efficiency after three months or longer, those cases when workers are blackmailed to leave the company, lead to latent or manifest crises of conflict.

On the other hand, it must be taken into account that labor efficiency is the result of some biological factors: food, health, rest, housing, sexual satisfaction, etc.; economic factors like certainty of income, level of wages, acquisitive power, etc. and social psychological factors like familial and communal organization, educational level and recreation.

Other familiar expenditures

Besides the expenditures in food and medical service already mentioned, the family must take over some other un-deferable expenditures: (a) clothes and shoes. Material that in the capital usually costs \$200 or \$300 a yard, is sold for \$5 or \$6 on the banana plantations. There is a system of ambulant sellers who sell these goods by credit to be paid in three payments. The first one is such that it covers and surpasses the original value of the goods, and the two other payments just treble the real value of the goods. The workers used to expend a lot of money on shoes because of the long distance they walk and the kind of soil they work on. (b) In some cases when they surpass a low amount of electricity assigned by the Company, they have to pay the difference. (c) All the tools that are used in working must be afforded by the worker, that is the case with knives, lines, etc. (d) The Company offers a minimum quantity of school means for the children, sometimes just a textbook or notebook, and the family has to afford the expensive things. (e) Because of the long distances that separate the urban banana centers from towns, and the impossibility of getting their own vehicles, the workers are obliged to walk or to use buses. The fare is high. For instance, from Coto farms to Villa Neyli, it is 1.50 colones, between farms it is 0.50 colones and from Puerto Cortes to Palmar, it is 1.00 colones. This situation is worst for workers who live in the civilian side and have to travel by bus daily to the farms. (f) The worker

gets his house unfurnished and has to get some furniture and kitchen utensils. Also the transistor radio and television is one of the most appreciated things among the workers.

(g) The workers devote some money to entertainment and diversion. The situation is different for married men and single men. The banana plantation workers have been blamed for being dissolute and wasting, usually to explain their poverty and to create a negative attitude in the public opinion during the time of crisis. In the case of the married men the problem of alcoholism and money spent on prostitution is not worse than in the rest of the population of the country. Single men are more vulnerable to vices and most of them spend lots of their income in the prostitution houses and bars run by the merchants in the civilian towns around the plantation.

The case of extreme poverty

In some cases the familiar situation is of extreme poverty. We can examine one of these cases. It is the case of a worker from farm #1, Palmar, who works as "mokero". This is fumigation against the banana disease called moro. This man had worked 18 years for the Company; his salary was 290 colones fortnightly. The family members were himself, his wife and 9 children who survived from the 17 his wife gave birth to. When we interviewed him, the wife was pregnant. She got a job opening polyethylene bags, labor in which children participated. She gets 8 colones fortnightly

for the job. Their debt with the store reached several hundred colones. Because of that the store asked the intervention of the Company to deduct from their salaries the money they owed and cancelled their credit. In the two week period when the family was studied, the financial situation was:

290.00	income
39.80	income taxes
45.00	medical services
<u>15.00</u>	contribution to the Workers' Bank
190.20	net income of the head of family +
<u>8.00</u>	wife's income
198.20	net familiar income

This extreme case contributed to create a permanent fear in the rest of the families who are subjected to a process of diminishing gross income, increasing of family membership, higher prices and permanent increasing debts.

Communal life

Social aspects of communitarian organization have not been developed to allow a feeling of appurtenance and settling among the workers, who always feel in passing. The experience lived when the Company suddenly abandoned other settlements in the Atlantic banana zone, leaving thousands of workers homeless and ruined, contributes to keep the workers from feeling settled at the plantation.

Communal organization is artificial. From the physical distribution of the buildings in a cold and geometric shape, to the regulations on daily life, the style of life is just a function of the working needs. There are no adequate channels and possibilities to allow the money circulating

in the hands of the workers to become some kind of property, comfort and education for the farm's inhabitants.

The commercial system, services and entertainment have been designed in such a way that the worker and his family cannot keep part of their revenue, but all of it goes back to the Company or to the merchants through numerous intermediaries.

Housing

We have mentioned that 51% of the families have more than 8 members. The unifamiliar houses at the plantation have two small bedrooms and because of that, the workers live crowded in a small room.

This situation is more grave in some cases when several families share the same house. The permanent interpersonal conflicts and tensions turn life into an almost unbearable daily life.

Social Stratification on the Banana Plantation

In the functional structure of the enterprise we observe a remarkable difference between social strata that classify and divide the different groups of workers:

- (1) High level of managers
 - (a) American general manager and American staff
 - (b) Costa Rican high staff
- (2) Technical and professional functionaries
- (3) Middle level administrative functionaries
- (4) Skilled workers

(5) Unskilled workers

The group at the top of the structure with wide decision-making power are generally foreign people. Their intellectual and educational background, attitudes and general mentality reflect the values, norms and ideals of American culture, and they are oriented by the administrative principles and practices current in the industrial developed societies. The social and cultural distance between this group and the mass of workers is remarked by the lack of direct communication and make the middle level personnel a strategic bridge to facilitate or obstaculize the communication between the highest and the lowest levels.

The national functionaries present an ambivalent image, very ambiguous to the workers' eyes, who consider them a sort of accomplice in those situations with the Company that they consider harmful. The remarkable difference of salary, consumption, and housing goes along with a strikingly different style of life between the technicians, professionals and administrators on one side, and the mass of workers on the other.

Often the middle administrative level who deals directly with the workers ("mandadores", foremen, timekeepers) are under strong pressure coming from both managers and workers; this situation leads them to authoritarian roles sometimes and transactional roles some other times, and provokes distrust from both sides.

The application of certain privileges to minorities,

who occupy strategic posts in the scale, tends to create a deep feeling of loyalty and personal commitment with the enterprise that not always remains within legitimate limits, and very often leads to authority abuse to obtain by coercive means the level of productivity and costs wished by the enterprise.

Direct Labor Transaction

At the time we studied the Pacific Costa banana plantations, the system of transaction for a wide range of jobs was the so-called direct transaction or arrangement between the worker and the Company staff. This has been changed after the violent strike of 1971, but we have to mention it as a very important feature in the worker's life. Some of the problems derived from this type of labor transaction are:

(1) Incapability of the worker to confront complex administrative situations.

(2) Interest of the mandadores and foremen in getting a maximum return at a minimum cost in order to be rewarded with bonuses and privileges by the Company.

(3) Helplessness of the worker who is afraid of complaining when he is not paid for his work because of the possible reprisal from his boss.

(4) Undefined of the work unity. There is not a fair relationship between the technological and biological requirements of banana agriculture and the calculation of its payment.

(5) Tendency to oversimplify with accounting criteria the work unities rather than take into account the personal effort of the worker in each unity.

The general process is like this: the mandador, or foreman asks to a worker to make a particular work for a certain amount of money. At the end of the week, in the payment card it appears less than was the agreement. When the worker complains, it is usually said that it was because of a mistake; sometimes it is corrected next week, sometimes it is never corrected. The worker is afraid of being taken as rebellious and does not insist any more. Nevertheless these cases are rumored and commented upon among the workers and the process of discontent increases.

It was mentioned the case of numerous contract for weeding that regardless the degree of growth of the grass, do not take into account the extra effort for the worker and pay the same price for weeding soft or hard grass. Also was mentioned the case of the man who wraps the bunches with plastic bags. The Company calculates 33 plants per hectare even when sometimes there are 50 plants ready to be wrapped, and this fact does not vary the prices of work.

The Process of Discontent and Rebellion

In the Banana Zone of the Pacific Coast of Costa Rica, there is a long tradition of labor struggle; the workers have developed spontaneous forms of organization just for cases of crisis.

The most relevant factors in the process of discontent and collective conflict are:

(a) Real conditions of life which originate the discontent.

(b) The particular articulation of the groups which favor collective phenomena like rumor, alarm, crowds, clandestine acts, etc.

(c) External influences coming from political and social radical groups.

(d) Internal administrative or political repression.

Every personal conflict of a worker got into a collective perspective when shared by numerous groups. A strong feeling of solidarity and cohesion is born among the workers and leads the other administrative levels to suffocate and persecute the workers, destroying every offspring of collective complaint. This reprisal reinforces the process of radicalization and opposition and rumors and expectations impossible to control from above arise.

The process of conflict, latent and manifest, in the banana plantation would deserve a particular treatment impossible within the purpose of this thesis; we will just mention the stages followed during the formation and explosion of this process.

(1) The first period is characterized by accumulation and communication among the workers of complaints not channeled and solved by administrative procedures.

(2) Verbalization and conscious overtaking of personal problems as a collective one.

(3) Formation of informal groups which become a vehicle for rumors and emotional contagion. In these groups some spontaneous leaders rise up and take over the direction of the protest.

(4) Action of external activists coming from political parties, ideological groups or national unions. These agents coordinate the spontaneous groups in a coherent structured movement.

(5) There is a period of agitation, public meetings, rhetoric and mass stimulation usually accompanied by severe repression from the staff side and police intervention which is taken by the workers as provocation and threat.

(6) The mass media and the mobilization of urban groups, political parties, students, churches, pro or against the workers, contribute to take the conflict beyond the plantation to the national level.

(7) Declaration of strike, acts of violence and official repression.

(8) In this climate of tension, nervous stress and agitation, the statesmen, the Company staff and the workers are under emotional pressures which lead them to sign agreements or accept formulas for immediate solutions that leave untouched the roots of the conflict and keep alive the germ for new conflicts.

The participation of the worker in the protest movement

depends on the basic attitudes adopted by him.

Many workers show a neurotic personality that adopts a completely passive and conformist attitude in both familiar and labor relationships. This group regards with indifference or fear every collective movement. Some others are just spectators of the conflict and observe from a distance the movements of the organized groups, the reaction of the Company and the general course of events. They are potentially mobilizable to participate usually at the last moment.

A small group well organized become members of the unions and collaborate publicly with the movement. Into this group there are those workers with a strong charismatic leadership who get involved by personal decision and conviction, and there are workers with a long record of work for the Company who are close to their 8th year of service and want to be discharged and be paid the "prestaciones" or special payment when a worker is dismissed.⁸

NOTES

Chapter V

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3. United Fruit Co., "The U. F. Co in Middle America". Company leaflet, Boston, n.d., p. 1.
4. See Kepner, op. cit. pp. 36-37.
5. See Galo Plaza, op. cit. p. 125.
6. Cutter, Victor M., "Foreign Trades, Golden Rose: You Can't Exploit Your Markets and Have Them Too". Unifrutero #4, Feb, pp. 390-394. Boston, 1929.
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